

CONRAIL®



RECORDATION NO. **18179** FILED 1425

3-084A002

MAR 25 1993 10:30 AM

RECORDATION NO. **18179** FILED 1425

MAR 25 1993 10:30 AM

March 25, 1993 INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Twelfth Street & Constitution Avenue, N.W.
Washington, D.C. 20423

BY HAND

**Re: Purchase of Locomotives
by Consolidated Rail Corporation**

Dear Mr. Strickland:

Enclosed are an original and one originally executed counterpart of the primary document described below and an original and two originally executed counterparts of the secondary document which also is described below. All of the enclosed documents are to be recorded pursuant to Section 11303, Title 49, of the United States Code.

The enclosed primary document is:

Trust Indenture and Security Agreement (Conrail 1993-2), dated as of February 26, 1993, among Consolidated Rail Corporation and U.S. Trust Company of California, N.A., as indenture trustee.

The enclosed secondary document is:

Indenture Supplement (Conrail 1993-1), dated as of March 25, 1993 among Consolidated Rail Corporation and U.S. Trust Company of California, N.A., as Indenture Trustee. The primary document to which this Indenture Supplement is connected is being submitted for recording concurrently herewith.

The names and addresses of the parties to the documents are as follows:

Trust Indenture and Security Agreement

Owner:

Consolidated Rail Corporation
2001 Market Street
P.O. Box 41425
Philadelphia, PA 19101-1425

Indenture Trustee:

U.S. Trust Company of California, N.A.
555 South Flower Street, Suite 2700
Los Angeles, CA 90071

Indenture Supplement

Owner:

Consolidated Rail Corporation
2001 Market Street
P.O. Box 41425
Philadelphia, PA 19101-1425

Indenture Trustee:

U.S. Trust Company of California, N.A.
555 South Flower Street, Suite 2700
Los Angeles, CA 90071

The description of the equipment covered by the aforesaid Trust Indenture and Security Agreement and Indenture Supplement is as follows:

Twenty four (24) General Electric Dash 8-40CW diesel electric locomotives bearing road numbers 6156 through 6179, both inclusive, and seven (7) General Motors Corporation (Electro-Motive Division) Model SD60M diesel electric motives bearing road numbers 5508, 5531 through 5535, both inclusive, and 5537 each marked on the sides in letters not less than one inch in height with the words "Ownership Subject to Documents Filed with the Interstate Commerce Commission."

A fee of Thirty-two (\$32.00) is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to:

Cheryl A. Cook, Esquire
Associate General Counsel
Consolidated Rail Corporation
2001 Market Street, 16A
Two Commerce Square

P.O. Box 41416
Philadelphia, PA 19101-1416

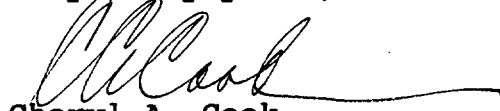
A short summary of each of the documents to appear in the index follows:

(1) Trust Indenture and Security Agreement: Trust Indenture and Security Agreement (Conrail 1993-1), dated as of February 26, 1993, between Consolidated Rail Corporation as owner, 2001 Market Street, P.O. Box 41425, Philadelphia, Pennsylvania 19101-1425, and U.S. Trust Company of California, N.A., as indenture trustee, 555 South Flower Street, Suite 2700, Los Angeles, California, 90071, securing owner's obligations relating to certain General Electric Dash 8-40CW diesel electric locomotives and General Motors Corporation (Electro Motive Division) SD60M diesel electric locomotives.

(2) Indenture Supplement: Indenture Supplement (Conrail 1993-1), dated as of March 25, 1993, between Consolidated Rail Corporation, as owner, 2001 Market Street, P.O. Box 41425, Philadelphia, Pennsylvania 19101-1425, and U.S. Trust Company of California, N.A., as indenture trustee, 555 South Flower Street, Suite 2700, Los Angeles, California, 90071, securing owner's obligations relating to twenty four (24) General Electric Dash 8-40CW diesel electric locomotives bearing road numbers 6156 through 6179, both inclusive, and seven (7) General Motors Corporation diesel electric locomotives bearing road numbers 5508, 5531 through 5535, both inclusive, and 5537.

If you have any questions, please do not hesitate to call the undersigned.

Very truly yours,



Cheryl A. Cook
Associate General Counsel
Consolidated Rail Corporation
2001 Market Street, 16A
Two Commerce Square
P.O. Box 41425
Philadelphia, PA 19101-1425

/dr
Enclosure

• 18179
RECORDATION NO. _____ FILED 1425

MAR 29 1993 10:30 AM

INTERSTATE COMMERCE COMMISSION

TRUST INDENTURE AND SECURITY AGREEMENT
(CONRAIL 1993-1)

February 26, 1993

between

CONSOLIDATED RAIL CORPORATION

and

U.S. TRUST COMPANY OF CALIFORNIA, N.A.,
as Indenture Trustee

New Locomotives

Filed with the Interstate Commerce Commission pursuant to
49 U.S.C. § 11303 on _____, 1993, at _____ .m.
Recordation Number _____ and deposited in the Office of the
Registrar General of Canada pursuant to Section 90 of the
Railway Act of Canada on _____, 1993, at _____
_.m.

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TRUST INDENTURE AND SECURITY AGREEMENT
(CONRAIL 1993-1)

This TRUST INDENTURE AND SECURITY AGREEMENT (CONRAIL 1993-1) dated as of February 26, 1993 (this "Indenture"), by and between Consolidated Rail Corporation, a Pennsylvania corporation (the "Company"), and U.S. Trust Company of California, N.A., a national banking association, as Indenture Trustee hereunder and any successor appointed in accordance with the terms hereof (the "Indenture Trustee");

W I T N E S S E T H :

WHEREAS, concurrently with the execution and delivery of this Indenture, the Company, the Indenture Trustee and U.S. Trust Company of California, N.A., as Trustee (the "Pass Through Trustee") under the Pass Through Trust Agreement (Conrail 1993-A1) and the Pass Through Trust Agreement (Conrail 1993-A2), each dated as of February 26, 1993 (the "Pass Through Trust Agreements"), between the Company and the Pass Through Trustee, are entering into a Note Purchase Agreement (Conrail 1993-1) (the "Note Purchase Agreement") pursuant to which the Pass Through Trustee, the Company and the Indenture Trustee have agreed, subject to the terms and conditions set forth therein, that the Pass Through Trustee, on behalf of the Pass Through Trusts, will purchase the Equipment Notes (as defined herein) issued pursuant hereto;

WHEREAS, the Company and the Indenture Trustee desire by this Indenture, among other things, to provide for (i) the issuance by the Company of two series of the Equipment Notes, and (ii) the assignment, mortgage and pledge by the Company to the Indenture Trustee, as part of the Indenture Estate hereunder, among other things, of, and the grant of a security interest in, all of the Company's right, title and interest in and to the Items of Equipment and the proceeds thereof, in accordance with the terms hereof, in trust, as security for, among other things, the Company's obligations to the holders of the Equipment Notes for the equal and ratable benefit of such holders; and

WHEREAS, all things necessary to make this Indenture the legal, valid and binding obligation of the Company and the Indenture Trustee, for the uses and purposes herein set forth, in accordance with its terms, have been done and performed and have happened.

GRANTING CLAUSE

NOW, THEREFORE, THIS TRUST INDENTURE AND SECURITY AGREEMENT WITNESSETH, that, to secure the prompt payment of the principal of and interest and premium, if any, on and all other amounts due with respect to, the Equipment Notes from time to time outstanding hereunder and the performance and observance by the Company of all the agreements, covenants and provisions herein and in the Equipment Notes all for the benefit of the holders of the Equipment Notes, and for the uses and purposes and subject to the terms and provisions hereof, and in consideration of the premises and of the covenants herein contained, and of the acceptance of the Equipment Notes by the Pass Through Trusts, the Company does hereby sell, assign, transfer, convey, mortgage, pledge, and confirm unto the Indenture Trustee, its successors and assigns, for the security and benefit of the holders of the Equipment Notes from time to time, a security interest in and mortgage lien on all right, title and interest of the Company in and to the following described property, rights, interests and privileges (which collectively, including all property hereafter specifically subjected to the Lien of this Indenture by any instrument supplemental hereto, being herein called the "Indenture Estate"), to wit:

(i) the Items of Equipment including, without limitation, all additions, alterations or modifications thereto or replacements of any part thereof, whenever made or performed or acquired and all other items of tangible personal property of any kind acquired by the Company in connection with the acquisition of the Items of Equipment, in each case whether acquired at the time of acquisition of the Items of Equipment or thereafter acquired pursuant to the Indenture or otherwise; and

(ii) all right, title and interest of the Company in and to all proceeds, rents, issues, profits, products, revenues and other income, from and on account of the property, rights and privileges subjected or required to be subjected to the Lien of this Indenture.

TO HAVE AND TO HOLD all and singular the aforesaid property unto the Indenture Trustee, its successors and assigns, in trust for the benefit and security of the

holders of the Equipment Notes from time to time, without any priority of any one Equipment Note of either series of Equipment Notes over any other Equipment Note of such series or over any other Equipment Note of the other series, and for the uses and purposes, and subject to the terms and provisions, set forth in this Indenture.

UPON CONDITION that, unless and until an Indenture Event of Default shall have occurred and be continuing, the Company shall be permitted, to the exclusion of the Indenture Trustee, to possess and use the Indenture Estate and exercise all rights with respect thereto.

It is expressly agreed that anything herein contained to the contrary notwithstanding, the Company shall remain liable under each of the Operative Documents to which it is a party to perform all of the obligations, if any, assumed by it thereunder, all in accordance with and pursuant to the terms and provisions thereof, and the Indenture Trustee and the holders shall have no obligation or liability under any of the Operative Documents to which the Company is a party by reason of or arising out of this assignment, nor shall the Indenture Trustee or the holders of Equipment Notes be required or obligated in any manner to perform or fulfill any obligations of the Company under or pursuant to any of the Operative Documents to which the Company is a party or, except as herein expressly provided, to make any payment, or to make any inquiry as to the nature or sufficiency of any payment received by it, or present or file any claim, or take any action to collect or enforce the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

The Company does hereby constitute the Indenture Trustee the true and lawful attorney of the Company; irrevocably, with full power (in the name of the Company or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all monies and claims for monies due and to become due to the Company which are part of the Indenture Estate, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Indenture Trustee may deem to be necessary or advisable in the premises. The Company agrees that promptly on receipt thereof, it will transfer to the Indenture Trustee any and all monies from time to time

received by it constituting part of the Indenture Estate, for distribution by the Indenture Trustee pursuant to this Indenture.

The Company agrees that at any time and from time to time, upon the written request of the Indenture Trustee, the Company will promptly and duly execute and deliver or cause to be executed and delivered any and all such further instruments and documents as the Indenture Trustee may reasonably request in order to obtain the full benefits of this assignment and of the rights and powers herein granted.

The Company does hereby warrant and represent that it has not assigned or pledged, and hereby covenants that it will not assign or pledge, so long as the assignment hereunder shall remain in effect, any of its right, title or interest hereby assigned, to anyone other than the Indenture Trustee, and that it will not, except as provided in or permitted by this Indenture, accept any payment constituting part of the Indenture Estate, or enter into an agreement amending or supplementing any of the Operative Documents, execute any waiver or modification of, or consent under the terms of any of the Operative Documents, settle or compromise any claim arising under any of the Operative Documents, or submit or consent to the submission of any dispute, difference or other matter arising under or in respect of any of the Operative Documents to arbitration thereunder.

IT IS HEREBY COVENANTED AND AGREED by and between the parties hereto as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Certain Definitions. Unless the context otherwise requires, all capitalized terms used herein and not otherwise defined shall have the meanings set forth in Appendix A hereto for all purposes of this Indenture. All references to articles, sections, clauses, schedules, exhibits, annexes and appendices in this Indenture are to articles, sections, clauses, schedules, exhibits, annexes and appendices in and to this Indenture unless otherwise indicated.

ARTICLE II

THE EQUIPMENT NOTES

Section 2.01. Form of Equipment Notes. (a) The equipment notes issued hereunder shall be designated as Series 1A Equipment Notes and Series 1B Equipment Notes. The Series 1A Equipment Notes and Series 1B Equipment Notes shall rank pari passu with each other in respect of priority of payment.

(b) The Series 1A Equipment Notes shall be substantially in the form set forth below:

CONSOLIDATED RAIL CORPORATION

5.71% SERIES 1A EQUIPMENT NOTE

Issued in Connection with
certain Railroad Locomotives

No. _____
\$ _____

New York, New York

CONSOLIDATED RAIL CORPORATION (herein called the "Company") hereby promises to pay to _____, or registered assigns, the principal sum of \$ _____, in lawful currency of the United States of America, in installments payable on the dates set forth in Annex A hereto, commencing December 31, 1993 and thereafter on each June 30 and December 31 to and including December 31, 2001, the maturity date of this Note, each such installment to be in an amount equal to the corresponding percentage (if any) of the remaining principal amount hereof set forth in Annex A hereto, together with interest thereon on the amount of such principal amount remaining unpaid from time to time from and including the date hereof until such principal amount shall be due and payable, payable on June 30, 1993 and thereafter on each December 31 and June 30 to the maturity date hereof at the rate of 5.71% per annum (computed on the basis of a 360-day year of twelve 30-day months). Interest on any overdue principal shall be paid from the due date thereof at the rate of interest applicable to this Equipment Note, payable on demand. No interest shall be payable under this Equipment Note on any overdue interest or premium, if any, hereon.

Payments with respect to the principal amount hereof, premium, if any, and interest thereon shall be payable in U.S. Dollars in immediately available funds at the principal bond and trustee administration office of the Indenture Trustee, or as otherwise provided in the Indenture. Each such payment shall be made on the date such payment is due and, except for the last payment of principal hereof, without any presentment or surrender of this Equipment Note. Whenever the date scheduled for any payment to be made hereunder or under the Indenture shall not be a Business Day, then such payment need not be made on such scheduled date but may be made on the next succeeding Business Day with the same force and effect as if made on such scheduled date and (provided such payment is made on such next succeeding Business Day) no interest shall accrue on the amount of such payment from and after such scheduled date to the time of such payment on such next succeeding Business Day.

Each holder hereof, by its acceptance of this Equipment Note, agrees that each payment received by it hereunder shall be applied, first, to the payment of accrued but unpaid interest on this Equipment Note then due, second, to the payment of the unpaid principal amount of this Equipment Note then due, and third, to the payment of any premium then due.

This Equipment Note is one of the Series 1A Equipment Notes referred to in the Indenture which have been or are to be issued by the Company pursuant to the terms of the Indenture. The Indenture Estate is held by the Indenture Trustee as security for the Equipment Notes. Reference is hereby made to the Indenture for a statement of the rights of the holder of, and the nature and extent of the security for, this Equipment Note, as well as for a statement of the terms and conditions of the trusts created by the Indenture, to all of which terms and conditions in the Indenture each holder hereof agrees by its acceptance of this Equipment Note.

This Equipment Note is not subject to redemption or prepayment except as provided in Sections 2.10, 3.02 and 3.03 of the Indenture. The holder hereof, by its acceptance of this Equipment Note, agrees to be bound by said provisions.

This Equipment Note is a registered Equipment Note and is transferable, as provided in the Indenture, only upon surrender of this Equipment Note for registration of transfer duly endorsed by, or accompanied by a written statement of transfer duly executed by, the registered holder hereof or his attorney duly authorized in writing. Prior to the due presentation for registration of transfer of this Equipment Note, the Company and the Indenture Trustee may deem and treat the registered holder of this Equipment Note as the absolute owner and holder hereof for the purpose of receiving payment of all amounts payable with respect hereto and for all other purposes and shall not be affected by any notice to the contrary.

THIS EQUIPMENT NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE TRANSFERRED IN VIOLATION OF SUCH ACT. THIS EQUIPMENT NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee by manual signature, this Equipment Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this Series 1A Equipment Note to be executed by one of its authorized officers as of the date hereof.

CONSOLIDATED RAIL CORPORATION

By _____
Title:

[FORM OF INDENTURE TRUSTEE'S CERTIFICATE OF
AUTHENTICATION]

This is one of the Series 1A Equipment Notes
referred to in the within-mentioned Indenture.

U.S. TRUST COMPANY OF
CALIFORNIA, N.A.,
as Indenture Trustee

By _____
Authorized Signatory

[Here insert Annex A, Amortization Schedule]

(c) The Series 1B Equipment Notes shall be
substantially in the form set forth below:

CONSOLIDATED RAIL CORPORATION

6.86% SERIES 1B EQUIPMENT NOTE

Issued in Connection with
certain Railroad Locomotives

No. _____
\$ _____

New York, New York

CONSOLIDATED RAIL CORPORATION (herein called the
"Company") hereby promises to pay to _____,
or registered assigns, the principal sum of \$ _____,
in lawful currency of the United States of America, in
installments payable on the dates set forth in Annex A
hereto, commencing December 31, 2001 and thereafter on each
June 30 and December 31 to and including December 31, 2007,
the maturity date of this Note, each such installment to be
in an amount equal to the corresponding percentage (if any)
of the remaining principal amount hereof set forth in Annex
A hereto, together with interest thereon on the amount of
such principal amount remaining unpaid from time to time
from and including the date hereof until such principal
amount shall be due and payable, payable on June 30, 1993
and thereafter on each December 31 and June 30 to the
maturity date hereof at the rate of 6.86% per annum (com-

puted on the basis of a 360-day year of twelve 30-day months). Interest on any overdue principal shall be paid from the due date thereof at the rate of interest applicable to this Equipment Note, payable on demand. No interest shall be payable under this Equipment Note on any overdue interest or premium, if any, hereon.

Payments with respect to the principal amount hereof, premium, if any, and interest thereon shall be payable in U.S. Dollars in immediately available funds at the principal bond and trustee administration office of the Indenture Trustee, or as otherwise provided in the Indenture. Each such payment shall be made on the date such payment is due and, except for the last payment of principal hereof, without any presentment or surrender of this Equipment Note. Whenever the date scheduled for any payment to be made hereunder or under the Indenture shall not be a Business Day, then such payment need not be made on such scheduled date but may be made on the next succeeding Business Day with the same force and effect as if made on such scheduled date and (provided such payment is made on such next succeeding Business Day) no interest shall accrue on the amount of such payment from and after such scheduled date to the time of such payment on such next succeeding Business Day.

Each holder hereof, by its acceptance of this Equipment Note, agrees that each payment received by it hereunder shall be applied, first, to the payment of accrued but unpaid interest on this Equipment Note then due, second, to the payment of the unpaid principal amount of this Equipment Note then due, and third, to the payment of any premium then due.

This Equipment Note is one of the Series 1B Equipment Notes referred to in the Indenture which have been or are to be issued by the Company pursuant to the terms of the Indenture. The Indenture Estate is held by the Indenture Trustee as security for the Equipment Notes. Reference is hereby made to the Indenture for a statement of the rights of the holder of, and the nature and extent of the security for, this Equipment Note, as well as for a statement of the terms and conditions of the trusts created by the Indenture, to all of which terms and conditions in the Indenture each holder hereof agrees by its acceptance of this Equipment Note.

This Equipment Note is not subject to redemption or prepayment except as provided in Sections 2.10, 3.02 and 3.03 of the Indenture. The holder hereof, by its acceptance of this Equipment Note, agrees to be bound by said provisions.

This Equipment Note is a registered Equipment Note and is transferable, as provided in the Indenture, only upon surrender of this Equipment Note for registration of transfer duly endorsed by, or accompanied by a written statement of transfer duly executed by, the registered holder hereof or his attorney duly authorized in writing. Prior to the due presentation for registration of transfer of this Equipment Note, the Company and the Indenture Trustee may deem and treat the registered holder of this Equipment Note as the absolute owner and holder hereof for the purpose of receiving payment of all amounts payable with respect hereto and for all other purposes and shall not be affected by any notice to the contrary.

THIS EQUIPMENT NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE TRANSFERRED IN VIOLATION OF SUCH ACT. THIS EQUIPMENT NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Unless the certificate of authentication hereon has been executed by or on behalf of the Indenture Trustee by manual signature, this Equipment Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this Series 1B Equipment Note to be executed by one of its authorized officers as of the date hereof.

CONSOLIDATED RAIL CORPORATION

By _____
Title:

[FORM OF INDENTURE TRUSTEE'S CERTIFICATE OF
AUTHENTICATION]

This is one of the Series 1B Equipment Notes referred to in the within-mentioned Indenture.

U.S. TRUST COMPANY OF
CALIFORNIA, N.A.,
as Indenture Trustee

By _____
Authorized Signatory

[Here insert Annex A, Amortization Schedule]

Section 2.02. Terms of Equipment Notes. There shall be issued and delivered to each Pass Through Trust from time to time on original issue pursuant to the Note Purchase Agreement on Closing Dates on or before May 30, 1993 (a) Series 1A Equipment Notes in a principal amount not to exceed \$16,037,947 and (b) Series 1B Equipment Notes in a principal amount not to exceed \$37,905,553, which shall evidence the loan made by Pass Through Trust in connection with the purchase of the Items of Equipment by the Company, each such Equipment Note to be in substantially the form set forth in Section 2.01, with deletions and insertions as appropriate, duly authenticated by the Indenture Trustee and dated the applicable Closing Date.

The principal amount of and interest on each Series 1A Equipment Note issued pursuant to the provisions of this Indenture shall be payable as set forth in the form thereof contained in Section 2.01(b) and Annex A thereto. The principal amount of and interest on each Series 1B Equipment Note issued pursuant to the provisions of this Indenture shall be payable as set forth in the form thereof contained in Section 2.01(c) and Annex A thereto. Interest accrued on the Equipment Notes shall be computed on the basis of a 360-day year of twelve 30-day months on the principal amount thereof remaining unpaid from time to time from and including the date thereof to but excluding the date of payment. The Company shall furnish to the Indenture Trustee a copy of each Equipment Note issued pursuant to the provisions of this Indenture.

Each Equipment Note outstanding hereunder shall be identical in respect of payment dates. All Series 1A Equipment Notes shall be identical (including in respect of amortization schedules) except in respect of the principal amount thereof and all Series 1B Equipment Notes shall be identical (including in respect of amortization schedules) except in respect of the principal amount thereof.

No Equipment Note shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless it shall have been authenticated by or on behalf of the Indenture Trustee by manual signature.

Section 2.03. [Intentionally Omitted.]

Section 2.04. Method of Payment. (a) The principal of and premium, if any, and interest on each Equipment Note will be payable in U.S. Dollars in immediately available funds at the principal corporate trust administration office of the Indenture Trustee or as otherwise directed in the manner provided herein. Notwithstanding the foregoing or any provision in any Equipment Note to the contrary, the Indenture Trustee will pay, or cause to be paid, if so requested by any holder of an Equipment Note by written notice to the Company and the Indenture Trustee, all amounts payable by the Company hereunder to such holder or a nominee therefor either (i) by transferring by wire in immediately available funds to an account maintained by such holder with a bank in the United States the amount to be distributed to such holder or (ii) by mailing a check denominated in U.S. Dollars to such holder at such address as such holder shall have specified in such notice, in any case without any presentment or surrender of any Equipment Note, except that the holder of an Equipment Note shall surrender such Equipment Note to the Indenture Trustee upon payment in full of the principal amount of and interest on such Equipment Note and such other sums payable to such holder hereunder or under the Equipment Note.

(b) Whenever the date scheduled for any payment to be made hereunder or under any Equipment Note shall not be a Business Day, then such payment need not be made on such scheduled date but may be made on the next succeeding Business Day with the same force and effect as if made on such scheduled date and (provided such payment is made on such next succeeding Business Day) no interest shall accrue on the amount of such payment from and after such scheduled date to the time of such payment on such next succeeding Business Day.

Section 2.05. Application of Payments to Principal Amount and Interest. In the case of each Equipment Note, each payment of principal thereof and premium, if any, and interest thereon shall be applied, first, to the payment of accrued but unpaid interest on such Equipment Note then due thereunder, second, to the payment of the unpaid principal amount of such Equipment Note then due thereunder and third, to the payment of any premium then due thereon.

Section 2.06. Termination of Interest in Indenture Estate. A holder shall have no further interest in,

or other right with respect to, the Indenture Estate when and if the principal amount of and interest on all Equipment Notes held by such holder and all other sums payable to such holder hereunder and under such Equipment Notes and under the Note Purchase Agreement shall have been paid in full.

Section 2.07. Transfer of Equipment Notes. The Indenture Trustee shall maintain at its corporate trust administration office at 65 Beaver Street, New York, New York 10005, or in the city in which the corporate trust office of a successor Indenture Trustee is located, a register for the purpose of registering transfers and exchanges of Equipment Notes. A holder of an Equipment Note intending to transfer such Equipment Note to a new payee, or to exchange any Equipment Note or Equipment Notes held by it for an Equipment Note or Equipment Notes of the same series of a different denomination or denominations, may surrender such Equipment Note or Equipment Notes to the Indenture Trustee at such principal corporate trust administration office of the Indenture Trustee, together with a written request from such holder for the issuance of a new Equipment Note or Equipment Notes of the same series, specifying the denomination or denominations (each of which shall be not less than \$1,000,000 of original principal amount or such smaller denomination as may be necessary due to the original issuance of Equipment Notes of the applicable maturity in an aggregate principal amount not evenly divisible by \$1,000,000) of the same, and, in the case of a surrender for registration of transfer, the name and address of the transferee or transferees. Promptly upon receipt of such documents, the Company will issue, and the Indenture Trustee will authenticate, a new Equipment Note or Equipment Notes in the same aggregate principal amount and dated the same date or dates and of the same series, with the same payment schedule, in the form set forth in Section 2.01 in the same maturity and bearing the same interest rate as, the Equipment Note or Equipment Notes surrendered, in such denomination or denominations and payable to such payee or payees as shall be specified in the written request from such holder. All Equipment Notes issued upon any registration of transfer or exchange of Equipment Notes shall be the valid obligations of the Company evidencing the same respective obligations, and entitled to the same security and benefits under this Indenture, as the Equipment Notes surrendered upon such registration of transfer or exchange. The Indenture

Trustee shall make a notation on each new Equipment Note or Equipment Notes of the amount of all payments or prepayments of principal and interest previously made on the old Equipment Note or Equipment Notes with respect to which such new Equipment Note or Equipment Notes is or are issued. From time to time, the Indenture Trustee will provide the Company with such information as it may request as to the registered holders of Equipment Notes. The Company shall not be required to exchange any surrendered Equipment Notes as above provided during the 10-day period preceding the due date of any payment on such Equipment Notes.

Prior to the due presentment for registration of transfer of an Equipment Note, the Company and the Indenture Trustee may deem and treat the registered holder of such Equipment Note as the absolute owner and holder of such Equipment Note for the purpose of receiving payment of all amounts payable with respect to such Equipment Note and for all other purposes and shall not be affected by any notice to the contrary.

The Indenture Trustee will promptly notify the Company of each request for a registration of transfer of an Equipment Note. The Indenture Trustee will promptly cancel and destroy all Equipment Notes surrendered for transfer pursuant to this Section.

Section 2.08. Mutilated, Destroyed, Lost or Stolen Equipment Notes. If any Equipment Note shall become mutilated, destroyed, lost or stolen, the Company shall, upon the written request of the holder of such Equipment Note, issue, and the Indenture Trustee shall authenticate and deliver in replacement thereof, a new Equipment Note of the same series in the form set forth in Section 2.01, payable to the same holder in the same principal amount, dated the same date, of the same maturity, with the same payment schedule bearing the same interest rate and dated the same date as the Equipment Note so mutilated, destroyed, lost or stolen. If the Equipment Note being replaced has become mutilated, such Equipment Note shall be surrendered to the Indenture Trustee and forwarded to the Company by the Indenture Trustee. If the Equipment Note being replaced has been destroyed, lost or stolen, the holder of such Equipment Note shall furnish to the Company and the Indenture Trustee such security or indemnity as may be required by them to save the Company and the Indenture

Trustee harmless and evidence satisfactory to the Company and the Indenture Trustee of the destruction, loss or theft of such Equipment Note and of the ownership thereof.

Section 2.09. Payment of Transfer Taxes. Upon the transfer of any Equipment Note or Equipment Notes pursuant to Section 2.07, the Company or the Indenture Trustee may require from the party requesting such new Equipment Note or Equipment Notes payment of a sum to reimburse the Company or the Indenture Trustee for, or to provide funds for the payment of, any tax or other governmental charge in connection therewith.

Section 2.10. Prepayments; Notice of Prepayment.

(a) The Company may, at its option, subject to the notice requirements of the Pass Through Trust Agreement, on not less than 35 days' notice to the Indenture Trustee, prepay the Equipment Notes in whole, together with accrued and unpaid interest to the date of such prepayment plus a premium in an amount equal to the Make-Whole Amount, if any, applicable on the date of such prepayment.

(b) On any Special Distribution Date as to which the Company shall have given to the Indenture Trustee notice as provided in Section 2.10 (c), and in any event not later than the first Special Distribution Date to occur on or after the 210th day after the occurrence of an Event of Loss with respect to an Item of Equipment, unless the Company shall have replaced such Item of Equipment as provided in Section 10.12, the Company shall prepay an amount of the Equipment Notes equal to the sum of (i) as to principal thereof, an amount equal to the product obtained by multiplying the aggregate unpaid principal amount of all Equipment Notes of each series on such Special Distribution Date (after deducting therefrom the principal installment, if any, due on such Special Distribution Date) by a fraction, the numerator of which shall be the aggregate Equipment Cost of the Item of Equipment with respect to which such Event of Loss occurred and the denominator of which shall be the Equipment Cost of all Items of Equipment subject to the Lien hereof prior to the occurrence of such Event of Loss and (ii) as to interest, the aggregate amount of interest accrued and unpaid in respect of the principal amount to be prepaid pursuant to clause (i) above to but not including such Special Distribution Date, but without the payment of any premium or Make-Whole Amount.

(c) The Indenture Trustee shall give prompt notice of any prepayment of any of the Equipment Notes to all holders of the Equipment Notes to be prepaid pursuant to this Section 2.10 as soon as the Indenture Trustee shall have knowledge that such prepayment is to occur, which notice shall specify the principal amount of the Equipment Notes to be prepaid and the date of prepayment, which date shall be not less than 25 days after the date of such notice. The Company will give the Indenture Trustee not less than 35 days' notice of any prepayment pursuant to this Section 2.10.

Section 2.11. Equally and Ratably Secured. All Equipment Notes of any series at any time outstanding under this Indenture shall be equally and ratably secured hereby without preference, priority or distinction on account of the date or dates or the actual time or times of the issue or maturity or series of such Equipment Notes so that all Equipment Notes at any time issued and outstanding hereunder shall have the same rights and preferences, and be entitled to the same benefits provided by the Liens created, under and by virtue of this Indenture.

ARTICLE III

RECEIPT, DISTRIBUTION AND APPLICATION OF INCOME FROM THE INDENTURE ESTATE

Section 3.01. Scheduled Payments. Except as otherwise provided in Section 3.03, any monies paid over by the Company to the Indenture Trustee on account of scheduled payments of principal and interest, shall be distributed by the Indenture Trustee as promptly as possible to the holders of the Equipment Notes to pay in full the aggregate amount of the payment or payments of principal, premium, if any, and interest (as well as any interest on overdue principal) then due, such distribution to be made ratably, without priority of one series over the other series, in the proportion that the amount of such payment or payments then due or so scheduled with respect to each such Equipment Note bears to the aggregate amount of payments then due under all such Equipment Notes of each series. The portion of each such installment distributed to a holder of an Equipment Note shall be applied by such holder in payment of such Equipment Note in accordance with the terms of Section 2.05.

Section 3.02. Payments in the Event of Prepayment. (a) Except as otherwise provided in Section 3.03, in the event of any prepayment of the Equipment Notes, in whole or in part, in accordance with the provisions of Section 2.10 any amount received shall in each case be distributed and paid in the following order of priority: first, so much of such amount as shall in each case be required for the purpose of prepayment shall be distributed and paid to the holders of Equipment Notes of all Series then outstanding to pay the aggregate amount of the payment of principal, premium, if any, and interest to be prepaid on the Equipment Notes pursuant to Section 2.10, such prepayment to be made ratably, without priority of one over any other, in the proportion that the amount to be prepaid on each such Equipment Note bears to the aggregate amount to be prepaid on all such Equipment Notes; second, so much of such amount as shall be required to reimburse the Indenture Trustee for any expenses not reimbursed by the Company in connection with the collection or distribution of such amount and for any unpaid fees for the Indenture Trustee's services under this Indenture and any tax, expense (including reasonable attorneys' fees) or other loss incurred by it (to the extent incurred in connection with its duties as Indenture Trustee and to the extent reimbursable and not previously reimbursed) shall be applied in reimbursement of such amounts; third, in the manner provided in clause "second" of Section 3.03 hereof; and fourth, in the manner provided in clause "fourth" of Section 3.03 hereof.

(b) Except as otherwise provided in Section 3.03 hereof, any amounts received directly or through the Company from any governmental authority or other party with respect to any Item of Equipment as the result of an Event of Loss, to the extent that such amounts are not at the time required to be paid to the Company pursuant to Section 10.09, and any amounts of insurance proceeds for damage to the Indenture Estate received directly or through the Company from any insurer pursuant to insurance maintained in accordance with Section 10.09 with respect thereto as the result of an Event of Loss, to the extent such amounts are not at the time required to be paid to the Company pursuant to said Section 10.09, shall be applied in reduction of the Company's obligation to prepay the Equipment Notes as a result of such Event of Loss and the balance shall be paid to the Company.

Section 3.03. Payments After Indenture Event of Default. (a) All payments received and amounts realized by the Indenture Trustee (except any payment described in Section 2.10(a) hereof) after an Indenture Event of Default shall have occurred and be continuing and after the Indenture Trustee has declared the Equipment Notes to be accelerated pursuant to Section 4.02 or has elected to foreclose or otherwise enforce its rights under this Indenture (including any amounts realized by the Indenture Trustee from the exercise of any remedies pursuant to Article IV), as well as all payments or amounts then held or thereafter received by the Indenture Trustee as part of the Indenture Estate while such Indenture Event of Default shall be continuing, shall be distributed forthwith by the Indenture Trustee in the following order of priority: first, so much of such payments or amounts as shall be required to reimburse the Indenture Trustee for any unpaid fees for its services under this Indenture and any tax, expense (including reasonable attorneys' fees) or other loss incurred by the Indenture Trustee (to the extent reimbursable and not previously reimbursed and to the extent incurred in connection with its duties as Indenture Trustee) shall be distributed to the Indenture Trustee; second, so much of such payments or amounts as shall be required to reimburse the holders of the Equipment Notes for payments made by them to the Indenture Trustee pursuant to Section 5.03 (to the extent not previously reimbursed), and to pay such holders of the Equipment Notes the amounts payable to them pursuant to the provisions of the Note Purchase Agreement, shall be distributed to such holders of the Equipment Notes, without priority of one over the other, in accordance with the amount of the payment or payments made by, or payable to, each such holder; third, so much of such payments or amounts as shall be required to pay in full the aggregate unpaid principal amount of all Equipment Notes, plus the accrued but unpaid interest thereon to the date of distribution, shall be distributed to the holders of the Equipment Notes, and in case the aggregate amount so to be distributed shall be insufficient to pay in full the aforesaid amounts, then, ratably, without priority of one over another, in the proportion that the aggregate unpaid principal amount of all Equipment Notes held by each such holder, plus the accrued but unpaid interest thereon to the date of distribution, bears to the aggregate unpaid principal amount of all Equipment Notes, plus the accrued but unpaid interest thereon to the date of distribution; and fourth, the balance, if any, of such payments or amounts

remaining thereafter shall be distributed to, or as directed by, the Company;

(b) If an Indenture Event of Default shall have occurred and be continuing, the Indenture Trustee shall not make any distribution to the Company but shall hold amounts otherwise distributable to the Company as collateral security for the obligations secured hereby until such time as no Indenture Event of Default shall be continuing hereunder or such amounts are applied pursuant to Section 3.03(a).

Section 3.04. Other Payments. Except as otherwise provided in Section 3.03,

(a) any payments received by the Indenture Trustee for which no provision as to the application thereof is made in Section 10.09 hereof, the Note Purchase Agreement or elsewhere in this Article III, and

(b) all payments received and amounts realized by the Indenture Trustee with respect to the Items of Equipment to the extent received or realized at any time after payment in full of the principal of and interest and premium, if any, on all Equipment Notes, as well as any other amounts remaining as part of the Indenture Estate after payment in full of the principal of and interest and premium, if any, on all Equipment Notes issued hereunder,

shall be distributed forthwith by the Indenture Trustee in the order of priority set forth in Section 3.03, except that in the case of any payment described in clause (b) above, such payment shall be distributed omitting clause "third" of such Section 3.03(a).

Any payments received by the Indenture Trustee for which provision as to the application thereof is made in the Note Purchase Agreement but not elsewhere in this Indenture shall be applied to the purposes for which such payments were made in accordance with the provisions of the Note Purchase Agreement, as the case may be.

ARTICLE IV

REMEDIES OF THE INDENTURE TRUSTEE

UPON AN INDENTURE EVENT OF DEFAULT

Section 4.01. Indenture Events of Default. The following events shall constitute "Indenture Events of Default" and each such Indenture Event of Default shall be deemed to exist and continue so long as, but only so long as, it shall not have been remedied:

(a) default by the Company in making any payment when due of principal of or premium, if any, or interest on, any Equipment Note or Equipment Notes, and the continuance of such default unremedied for 10 Business Days after the same shall have become due and payable; or

(b) any failure by the Company to observe or perform any covenant or obligation of it, in this Indenture or the Equipment Notes or in the Note Purchase Agreement, if, but only if, such failure is not remedied within a period of 30 days after there has been given to the Company by the Indenture Trustee a written notice specifying such failure and requiring it to be remedied; or

(c) any representation or warranty made by the Company under the Note Purchase Agreement or hereunder, or by any representative of the Company in any document or certificate furnished to the Indenture Trustee or the Pass Through Trustee in connection herewith or therewith or pursuant hereto or thereto, shall prove at any time to have been incorrect in any material adverse respect as of the date made and such incorrectness shall remain material as of the date the Indenture Trustee has given to the Company a written notice specifying such incorrectness, by the Indenture Trustee or by any holder of an Equipment Note; or

(d) [Intentionally Omitted]

(e) The Company shall consent to the appointment of a receiver, trustee or liquidator of itself or of a substantial part of its property or the Company shall admit in writing its inability to pay its debts generally as they come due, or shall make a general assignment for the benefit of creditors; or

(f) a petition for reorganization under Title 11 of the United States Code, as now constituted or as hereafter amended, shall be filed by or against the Company and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Company under this Indenture shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed (whether or not subject to ratification) in such proceeding in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees, within 60 days after such petition shall have been filed and otherwise in accordance with the provisions of 11 U.S.C. § 1168 or any successor provision, as the same may hereafter be amended; or

(g) any other proceeding shall be commenced by or against the Company for any relief which includes, or might result in, any modification of the obligations of the Company hereunder under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions, or extensions (other than a law which does not permit any readjustments of such obligations), and, unless such proceeding shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of the Company under this Indenture shall not have been and shall not continue to have been duly assumed in writing pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed (whether or not subject to ratification) for the Company or for the property of the Company in connection with any such proceeding in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such a trustee or trustees or receiver or receivers, within 60 days after such proceeding shall have been commenced.

Section 4.02. Acceleration; Rescission and Annulment. If an Indenture Event of Default occurs and is

continuing, the Indenture Trustee may, and upon the directions of a Majority in Interest shall declare the unpaid principal amount of all Equipment Notes then outstanding and accrued interest thereon to be due and payable. At any time after the Indenture Trustee has declared the unpaid principal amount of all Equipment Notes then outstanding to be due and payable and prior to the sale of any of the Indenture Estate pursuant to this Article IV, a Majority in Interest, by written notice to the Lessor, the Company and the Indenture Trustee, may rescind and annul such declaration and thereby annul its consequences if: (i) there has been paid to or deposited with the Indenture Trustee an amount sufficient to pay all overdue installments of interest on the Equipment Notes, and the principal of and premium, if any, on any Equipment Notes that have become due otherwise than by such declaration of acceleration, (ii) the rescission would not conflict with any judgment or decree, and (iii) all other Indenture Defaults and Indenture Events of Default, other than nonpayment of principal or interest on the Equipment Notes that have become due solely because of such acceleration, have been cured or waived.

Section 4.03. Remedies with Respect to Indenture Estate. (a) After an Indenture Event of Default shall have occurred and so long as such Indenture Event of Default shall be continuing, and the obligation to pay the outstanding principal and accrued interest thereon of the Equipment Notes shall have been accelerated (and such acceleration shall not have been rescinded) pursuant to Section 4.02 hereof, then and in every such case the Indenture Trustee, as mortgagee hereunder of the Equipment or otherwise, may, and when required pursuant to the provisions of Article V hereof shall, exercise any or all of the rights and powers and pursue any and all of the remedies pursuant to this Article IV and may recover judgment in its own name as Indenture Trustee against the Company and Indenture Estate and may take possession of all or any part of the Indenture Estate, and may exclude the Company and all persons claiming under the Company wholly or partly therefrom.

(b) The Indenture Trustee may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession, and either before or after taking possession, and without instituting any legal proceedings

whatsoever, and having first given notice of such sale by registered mail to the Company once at least 30 days prior to the date of such sale or the date on which the Indenture Trustee enters into a binding contract for a private sale, and any other notice which may be required by law, sell and dispose of the Indenture Estate, or any part thereof, or interest therein, at public auction to the highest bidder or at private sale in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Indenture Trustee may determine, and at any place (whether or not it be the location of the Indenture Estate or any part thereof) and time designated in the notice above referred to. Any such public sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further notice, and the Indenture Trustee or the holder or holders of any Equipment Notes, or any interest therein, may bid and become the purchaser at any such public sale. The Indenture Trustee may exercise such right without possession or production of the Equipment Notes or proof of ownership thereof, and as representative of the holders may exercise such right without including the holders as parties to any suit or proceeding relating to foreclosure of any property in the Indenture Estate. The Company hereby irrevocably constitutes the Indenture Trustee the true and lawful attorney-in-fact of the Company (in the name of the Company or otherwise) for the purpose of effectuating any sale, assignment, transfer or delivery for enforcement of the Lien of this Indenture, whether pursuant to foreclosure or power of sale or otherwise, to execute and deliver all such bills of sale, assignments and other instruments as the Indenture Trustee may consider necessary or appropriate, with full power of substitution, the Company hereby ratifying and confirming all that such attorney or any substitute shall lawfully do by virtue hereof. Nevertheless, if so requested by the Indenture Trustee or any purchaser, the Company shall ratify and confirm any such sale, assignment, transfer or delivery, by executing and delivering to the Indenture Trustee or such purchaser all bills of sale, assignments, releases and other proper instruments to effect such ratification and confirmation as may be designated in any such request.

(c) The Company agrees, to the fullest extent that it lawfully may, that, in case one or more of the Indenture Events of Default shall have occurred and be

continuing, then, in every such case, the Indenture Trustee may take possession of all or any part of the Indenture Estate and may exclude the Company and all persons claiming under any of them wholly or partly therefrom. At the request of the Indenture Trustee, the Company shall promptly execute and deliver to the Indenture Trustee such instruments of title and other documents as the Indenture Trustee may deem necessary or advisable to enable the Indenture Trustee or an agent or representative designated by the Indenture Trustee, at such time or times and place or places as the Indenture Trustee may specify, to obtain possession of all or any part of the Indenture Estate. If the Company shall fail for any reason to execute and deliver such instruments and documents to the Indenture Trustee, the Indenture Trustee may pursue all or part of the Indenture Estate wherever it may be found and may enter any of the premises of the Company wherever the Indenture Estate may be or be supposed to be and search for the Indenture Estate and take possession of and remove the Indenture Estate. Upon every such taking of possession, the Indenture Trustee may, from time to time, at the expense of the Indenture Estate, make all such expenditures for maintenance, insurance, repairs, replacements, alterations, additions and improvements to any of the Indenture Estate, as it may deem proper. In each such case, the Indenture Trustee shall have the right to use, operate, store, control or manage the Indenture Estate, and to carry on the business and to exercise all rights and powers of the Company relating to the Indenture Estate, as the Indenture Trustee shall deem best, including the right to enter into any and all such agreements with respect to the maintenance, operation, leasing or storage of the Indenture Estate or any part thereof as the Indenture Trustee may determine; and the Indenture Trustee shall be entitled to collect and receive all tolls, rents, revenues, issues, income, products and profits of the Indenture Estate and every part thereof, without prejudice, however, to the right of the Indenture Trustee under any provision of this Indenture to collect and receive all cash held by, or required to be deposited with, the Indenture Trustee hereunder. Such tolls, rents, revenues, issues, income, products and profits shall be applied to pay the expenses of holding and operating the Indenture Estate and of conducting the business thereof, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Indenture Trustee may be required or may elect to make, if any, for taxes, assess-

ments, insurance or other proper charges upon the Indenture Estate or any part thereof (including the employment of engineers and accountants to examine, inspect and make reports upon the properties and books and records of the Company), and all other payments which the Indenture Trustee may be required or authorized to make under any provision of this Indenture, as well as just and reasonable compensation for the services of the Indenture Trustee, and of all persons properly engaged and employed by the Indenture Trustee, including the reasonable expenses of the Indenture Trustee. Any action by the Indenture Trustee pursuant to this Section 4.03(c) will in all respects be subject to compliance with any mandatory legal requirements applicable to any such action.

(d) If an Indenture Event of Default occurs and is continuing and the Indenture Trustee shall have obtained possession of an Item of Equipment, the Indenture Trustee shall not be obligated to use or operate such Item of Equipment or cause such Item of Equipment to be used or operated directly or indirectly by itself or through agents or other representatives or to lease, license or otherwise permit or provide for the use or operation of such Item of Equipment by any other Person unless (i) the Indenture Trustee shall have been able to obtain insurance in kinds, at rates and in amounts satisfactory to it in its discretion to protect the Indenture Estate and the Indenture Trustee, as trustee and individually, against any and all liability for loss or damage to such Item of Equipment and for public liability and property damage resulting from use or operation of such Item of Equipment and (ii) funds are available in the Indenture Estate to pay for all such insurance or, in lieu of such insurance, the Indenture Trustee is furnished with indemnification from the holders of the Equipment Notes or any other Person upon terms and in amounts satisfactory to the Indenture Trustee in its discretion to protect the Indenture Estate and the Indenture Trustee, as trustee and individually, against any and all such liabilities.

(e) Notwithstanding anything contained herein, so long as the Pass Through Trustee is the registered holder of any Equipment Note issued hereunder, the Indenture Trustee is not authorized or empowered to acquire title to any Indenture Estate or take any action with respect to any Indenture Estate so acquired by it if such acquisition or action would cause the Trust (as defined in

the Pass Through Trust Agreement) to fail to qualify as a "grantor trust" for federal income tax purposes.

Section 4.04. Waiver of Existing Defaults. A Majority in Interest by notice to the Indenture Trustee on behalf of all holders of the Equipment Notes may waive any past default hereunder and its consequences, except a default: (i) in the payment of the principal of, premium, if any, or interest on any Equipment Note, or (ii) in respect of a covenant or provision hereof which under Article IX hereof cannot be modified or amended without the consent of the holder of each Equipment Note affected. Upon any such waiver, such default shall cease to exist, and any Indenture Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

ARTICLE V

DUTIES OF THE INDENTURE TRUSTEE

Section 5.01. Action Upon Indenture Event of Default. If any payments of the principal of or interest or premium, if any, on the Equipment Notes due and payable on any Payment Date shall not have been paid in full on such Payment Date, the Indenture Trustee shall give telephonic notice within one Business Day (followed by prompt written notice) to the Company specifying the amount and nature of such deficiency in payment. In the event the Indenture Trustee shall have knowledge of an Indenture Event of Default or an Indenture Default, the Indenture Trustee shall give prompt notice of such Indenture Event of Default or such event or condition to the Company, and each holder of Equipment Notes by telegram, telex, or telephone (to be promptly confirmed in writing). Subject to the terms of Section 4.03, the Indenture Trustee shall take such action, or refrain from taking such action, with respect to such Indenture Event of Default as the Indenture Trustee shall be instructed in writing by a Majority in Interest. If the Indenture Trustee shall not have received instructions as above provided within 20 days after the mailing of notice of such Indenture Event of Default or such Indenture Default to the holders of Equipment Notes by the Indenture Trustee, the Indenture Trustee may, but shall not be obligated to, take such action, or refrain from taking such

action, with respect to such Indenture Event of Default or Indenture Default as it shall determine to be advisable in the best interests of the holders of Equipment Notes. For all purposes of this Indenture, in the absence of actual knowledge, the Indenture Trustee shall not be deemed to have knowledge of an Indenture Event of Default (except the failure of the Company to pay any principal of, or interest or Make Whole Premium on, the Equipment Notes within 10 Business Days after the same shall become due or the failure of the Company to maintain insurance as required under Section 10.09 hereof if the Indenture Trustee shall receive notice thereof from an insurer or insurance broker) unless notified in writing by the Company, or one or more holders of Equipment Notes; and "actual knowledge" (as used in the foregoing clause) of the Indenture Trustee shall mean actual knowledge of an officer in the Corporate Trust Administration of the Indenture Trustee.

Section 5.02. Action Upon Instructions. Subject to the terms of Sections 5.01 and 5.03, upon the written instructions at any time and from time to time of a Majority in Interest, the Indenture Trustee shall take such of the following actions as may be specified in such instructions (subject to the rights of the other parties thereto, except to the extent assigned hereunder): subject to and solely to the extent permitted by the terms hereof, give such notice, direction or consent, or exercise such right, remedy or power hereunder or in respect of any part or all of the Indenture Estate or take such other action as shall be specified in such instructions, it being understood that without the written instructions of a Majority in Interest the Indenture Trustee shall not take any action described above.

Section 5.03. Indemnification. (a) The Indenture Trustee shall not be required to risk its own funds, take any action or refrain from taking any action under Section 5.01 (other than the first two sentences thereof) or 5.02 or Article IV if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnification against such risk is not reasonably assured to it. The Indenture Trustee shall not be required to take any action under Section 5.01 or 5.02 or Article IV, nor shall any other provision of this Indenture be deemed to impose a duty on the Indenture Trustee to take any action, if the Indenture Trustee shall have been advised in writing by independent counsel that such action is contrary to the

terms hereof or of the Note Purchase Agreement, or is otherwise contrary to law.

(b) Each holder of Equipment Notes may, but shall not be required to, participate in any indemnification of the Indenture Trustee given pursuant to paragraph (a) of this Section 5.03. Each holder of Equipment Notes so participating shall be entitled to reimbursement for such participation in accordance with Article III.

Section 5.04. No Duties Except as Specified in Indenture or Instructions. The Indenture Trustee shall not have any duty or obligation to manage, control, use, sell, dispose of or otherwise deal with the Items of Equipment or any other part of the Indenture Estate, or to otherwise take or refrain from taking any action under, or in connection with, this Indenture, or the Note Purchase Agreement, except as expressly provided by the terms of this Indenture or as expressly provided in written instructions received pursuant to the terms of Section 5.01 or 5.02; and no implied duties or obligations shall be read into this Indenture against the Indenture Trustee. The Indenture Trustee nevertheless agrees that it will, at its own cost and expense, promptly take such action as may be necessary duly to discharge any liens or encumbrances on any part of the Indenture Estate, or on any properties of the Company assigned, pledged or mortgaged as part of the Indenture Estate, which result from claims against the Indenture Trustee in its individual capacity not related to the administration of the Indenture Estate or any other transaction under this Indenture or any document included in the Indenture Estate.

Section 5.05. No Action Except Under Indenture or Instructions. The Indenture Trustee agrees that it will not manage, control, use, sell, dispose of or otherwise deal with the Items of Equipment or other property constituting part of the Indenture Estate except (i) in accordance with the powers granted to, or the authority conferred upon, the Indenture Trustee pursuant to this Indenture, or (ii) in accordance with the express terms hereof or with written instructions pursuant to Section 5.01 or 5.02.

Section 5.06. Replacement Items of Equipment. At any time and from time to time if the Company shall request the Indenture Trustee to execute and deliver to it,

or as directed in writing by it, an appropriate instrument furnished by the Company releasing from the Lien of this Indenture, an Item of Equipment which is the subject of an Event of Loss the Indenture Trustee shall execute and deliver such instrument as aforesaid upon satisfaction of the conditions for the Replacement Item of Equipment contained in Section 10.12.

Section 5.07. Indenture Supplements for Replacements. In the event of a Replacement Item of Equipment being substituted as contemplated by Section 10.12 the Indenture Trustee agrees for the benefit of the holders of the Equipment Notes and the Company, subject to compliance by the Company with its obligations set forth in Section 10.12 to execute and deliver an Indenture Supplement substantially in the form of Exhibit A hereto.

Section 5.08. Effect of Replacements. In the event of the substitution of a Replacement Item of Equipment, all provisions of this Indenture relating to the Item of Equipment or Items of Equipment being replaced shall be applicable to such Replacement Item of Equipment with the same force and effect as if such Replacement Item of Equipment was the same Item of Equipment being replaced.

Section 5.09. Withholding Taxes. The Indenture Trustee, as agent for the Company, shall exclude and withhold from each payment of principal, premium, if any, and interest and other amounts due hereunder or under the Equipment Notes any and all withholding taxes applicable thereto as required by law. The Indenture Trustee agrees to act as such withholding agent and, in connection therewith, whenever any present or future taxes or similar charges are required to be withheld with respect to any amounts payable in respect of the Equipment Notes, to withhold such amounts and timely pay the same to the appropriate authority in the name of and on behalf of the holders of the Equipment Notes, that it will file any necessary withholding tax returns or statements when due, and that, as promptly as possible after the payment thereof, it will deliver to each holder of an Equipment Note appropriate documentation showing the payment thereof, together with such additional documentary evidence as such holders may reasonably request from time to time.

ARTICLE VI

THE INDENTURE TRUSTEE

Section 6.01. Acceptance of Trusts and Duties.

The Indenture Trustee accepts the trusts hereby created and applicable to it and agrees to perform the same but only upon the terms of this Indenture and agrees to receive and disburse all monies received by it constituting part of the Indenture Estate in accordance with the terms hereof. The Indenture Trustee shall not be answerable or accountable under any circumstances, except for its own willful misconduct or gross negligence or breach of any of its representations or warranties set forth herein or in the Note Purchase Agreement, or the performance of its obligations under the last sentence of Section 5.04.

Section 6.02. Absence of Duties.

Except in accordance with written instructions or requests furnished pursuant to Section 5.01 or Section 5.02 and except as provided in, and without limiting the generality of, Section 5.04, the Indenture Trustee shall have no duty (i) to see to any registration of the Items of Equipment or any recording or filing of this Indenture or any other document, or to see to the maintenance of any such registration, recording or filing, (ii) to see to any insurance on the Items of Equipment or to effect or maintain any such insurance, whether or not the Company shall be in default with respect thereto, (iii) to confirm, verify or inquire into the failure to receive any financial statements of the Company or (iv) to inspect the Items of Equipment at any time or ascertain or inquire as to the performance or observance of any of the Company's covenants hereunder with respect to the Items of Equipment. Notwithstanding the foregoing, the Indenture Trustee will furnish to any holder of the Equipment Notes, promptly upon request thereof, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and other instruments furnished to the Indenture Trustee under this Indenture.

Section 6.03. No Representations or Warranties as to the Items of Equipment or Documents. THE INDENTURE TRUSTEE NEITHER MAKES NOR SHALL BE DEEMED TO HAVE MADE (i) ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE VALUE, CONDITION, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS FOR USE OF THE ITEMS OF EQUIPMENT OR AS TO THE

TITLE THERETO, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE ITEMS OF EQUIPMENT WHATSOEVER, or (ii) any representation or warranty as to the validity, legality or enforceability of this Indenture, the Note Purchase Agreement, the Equipment Notes, or any Indenture Supplement or any other document or instrument or as to the correctness of any statement contained in any thereof (except as to the representations and warranties made by the Indenture Trustee in the Note Purchase Agreement).

Section 6.04. No Segregation of Moneys; No Interest; Investments. (a) Subject to Section 6.04(b), no monies received by the Indenture Trustee hereunder need be segregated in any manner except to the extent required by law, and any such monies may be deposited under such general conditions for the holding of trust funds as may be prescribed by law applicable to the Indenture Trustee, and, except as otherwise agreed by the Indenture Trustee, the Indenture Trustee shall not be liable for any interest thereon.

(b) Any amounts held by the Indenture Trustee pursuant to the express terms of this Indenture and not required to be distributed as herein provided shall be invested and reinvested by the Indenture Trustee from time to time in Specified Investments at the written direction and at the risk and expense of the Company, except that in the absence of any such direction or after an Indenture Event of Default shall have occurred and be continuing, such amounts shall be so invested and reinvested by the Indenture Trustee in Specified Investments and the Indenture Trustee shall hold any such Specified Investments until maturity. Any net income or gain realized as a result of any such investments or reinvestment shall be held as part of the Indenture Estate and shall be applied by the Indenture Trustee at the same times, on the same conditions and in the same manner as the amounts in respect of which such income or gain was realized are required to be distributed in accordance with the provisions hereof pursuant to which such amounts were required to be held and if no Indenture Event of Default shall have occurred and be continuing any excess shall be paid to the Company. Any such Specified Investments may be sold or otherwise reduced to cash (without regard to maturity date) by the Indenture Trustee whenever necessary to make any application as required by such provisions. The Indenture Trustee shall have no liability for any loss resulting from any such

investment or reinvestment other than by reason of the willful misconduct or gross negligence of the Indenture Trustee.

Section 6.05. Reliance; Agents; Advice of Counsel. The Indenture Trustee shall incur no liability to anyone acting upon any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties. The Indenture Trustee may accept a copy of a resolution of the Board of Directors of any party to the Note Purchase Agreement, certified by the Secretary or an Assistant Secretary of such party as duly adopted and in full force and effect, as conclusive evidence that such resolution has been duly adopted by said Board and that the same is in full force and effect. As to any fact or matter the manner of ascertainment of which is not specifically described herein, the Indenture Trustee may for all purposes hereof rely on a certificate, signed by an officer of the Company, as to such fact or matter, and such certificate shall constitute full protection to the Indenture Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon. The Indenture Trustee shall assume, and shall be fully protected in assuming, that the Company is authorized to enter into this Indenture and to take all action permitted to be taken by it pursuant to the provisions hereof, and shall not inquire into the authorization of the Company with respect thereto. In the administration of the trusts hereunder, the Indenture Trustee may execute any of the trusts or powers hereof and perform its powers and duties hereunder directly or through agents or attorneys and may, at the expense of the Indenture Estate, consult with independent counsel, accountants and other skilled persons to be selected and employed by it, and the Indenture Trustee shall not be liable for anything done, suffered, or omitted in good faith by it in accordance with the written advice or opinion of any such independent counsel, accountants or other skilled persons acting within such persons' area of competence (so long as the Indenture Trustee shall have exercised reasonable care in selecting such persons).

Section 6.06. Not Acting in Individual Capacity. The Indenture Trustee acts hereunder solely as trustee and not in its individual capacity unless otherwise expressly provided; and all Persons, other than the holders of Equip-

ment Notes to the extent expressly provided in this Indenture, having any claim against the Indenture Trustee by reason of the transactions contemplated hereby shall, subject to the lien and priorities of payment as herein provided, look only to the Indenture Estate for payment or satisfaction thereof.

Section 6.07. No Compensation from Holders or Indenture Estate. The Indenture Trustee agrees that it shall have no right against the holders of the Equipment Notes or, except as provided in Sections 3.03 and 4.03, the Indenture Estate, for any fee as compensation for its services hereunder.

ARTICLE VII

INDEMNIFICATION OF INDENTURE TRUSTEE

Section 7.01. Scope of Indemnification. The Company hereby agrees, whether or not any of the transactions contemplated hereby or in the Note Purchase Agreement shall be consummated, to assume liability for, and does hereby indemnify, protect, save and keep harmless the Indenture Trustee, in its individual capacity and its successors, assigns, agents and servants, from and against any and all liabilities (including strict tort liability), obligations, losses, damages, penalties, taxes (excluding any taxes, fees or other charges on, based on, or measured by, any fees or compensation received by the Indenture Trustee for services rendered in connection with the transactions contemplated hereby and any taxes, fees or other charges against which the Company is not required to indemnify pursuant to Section 8 of the Note Purchase Agreement), claims, actions, suits, costs, expenses or disbursements (including reasonable legal fees and expenses) of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Indenture Estate or the Indenture Trustee (whether or not also indemnified against by any other person under any other document) in any way relating to or arising out of this Indenture, any Indenture Supplement, the Equipment Notes, or the Note Purchase Agreement or the enforcement of any of the terms of any thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, nonacceptance, rejection, ownership, delivery, lease, sublease, registration, re-registration, possession, use, operation, condition, sale, return or

other disposition of the Items of Equipment or any part thereof (including, without limitation, latent and other defects, whether or not discoverable, and any claim for patent, trademark or copyright infringement), or in any way relating to or arising out of the administration of the Indenture Estate or the action or inaction of the Company, or the Indenture Trustee hereunder except only in the case of willful misconduct or gross negligence of the Indenture Trustee in the performance of its duties hereunder or the breach of any of its representations and warranties set forth herein or in Section 5 of the Note Purchase Agreement; provided that the Indenture Trustee shall not make any claim under this Section 7.01 for any claim or expense indemnified against by the Company under the Note Purchase Agreement without first making demand on the Company for payment of such claim or expense; provided further that, notwithstanding any provision to the contrary herein, the scope of the Company indemnity obligations under this Section 7.01 shall not exceed the scope of the indemnity obligations of the Company under Section 11 of the Note Purchase Agreement.

Section 7.02. Company To Make Payments As Provided For. The Company agrees to pay the reasonable and customary expenses and compensation of the Indenture Trustee for its services hereunder.

ARTICLE VIII

SUCCESSOR TRUSTEES

Section 8.01. Resignation of Indenture Trustee; Appointment of Successor. (a) The resignation or removal of the Indenture Trustee and the appointment of a successor Indenture Trustee shall become effective only upon the successor Indenture Trustee's acceptance of appointment as provided in this Section 8.01. The Indenture Trustee or any successor thereto may resign at any time without cause by giving at least 30 days' prior written notice to the Company and the holders of the Equipment Notes. A Majority in Interest may at any time remove the Indenture Trustee without cause by an instrument in writing delivered to the Company and the Indenture Trustee. In addition, the Company may remove the Indenture Trustee if: (i) the Indenture Trustee fails to comply with Section 8.01(c), (ii) the Indenture Trustee is adjudged a bankrupt or an insolvent,

(iii) a receiver or public officer takes charge of the Indenture Trustee or its property or (iv) the Indenture Trustee becomes incapable of acting as provided herein.

In the case of the resignation or removal of the Indenture Trustee, the Company shall promptly appoint a successor Indenture Trustee, provided that a Majority in Interest may appoint, within one year after such resignation or removal, a successor Indenture Trustee which may be other than the successor Indenture Trustee appointed as provided above, and such successor Indenture Trustee appointed as provided above shall be superseded by the successor Indenture Trustee so appointed by a Majority in Interest. If a successor Indenture Trustee shall not have been appointed and accepted its appointment hereunder within 60 days after the Indenture Trustee gives notice of resignation as provided above, the retiring Indenture Trustee, Company or a Majority in Interest may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee. Any successor Indenture Trustee so appointed by such court shall immediately and without further act be superseded by any successor Indenture Trustee appointed as provided in the proviso to the fifth sentence of this paragraph (a) within one year from the date of the appointment by such court.

(b) Any successor Indenture Trustee, however appointed, shall execute and deliver to the Company and to the predecessor Indenture Trustee an instrument accepting such appointment, and thereupon such successor Indenture Trustee, without further act, shall become vested with all the estates, properties, rights, powers, duties and trusts of the predecessor Indenture Trustee hereunder in the trusts hereunder applicable to it with like effect as if originally named the Indenture Trustee herein; but nevertheless, upon the written request of such successor Indenture Trustee, such predecessor Indenture Trustee shall execute and deliver an instrument transferring to such Indenture Trustee, upon the trusts herein expressed applicable to it, all the estates, properties, rights, powers and trusts of such predecessor Indenture Trustee, and such Indenture Trustee shall duly assign, transfer, deliver and pay over to such successor Indenture Trustee all monies or other property then held by such predecessor Indenture Trustee hereunder.

(c) The Indenture Trustee shall be a bank or trust company having a combined capital and surplus of at least \$100,000,000 (or the obligations and liabilities of which are irrevocably and unconditionally guaranteed by an affiliated company having a combined capital and surplus of at least \$100,000,000), if there be such an institution willing, able and legally qualified to perform the duties of the Indenture Trustee hereunder upon reasonable or customary terms.

(d) Any corporation into which the Indenture Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Indenture Trustee shall be a party, or any corporation to which substantially all the corporate trust business of the Indenture Trustee may be transferred, shall, subject to the terms of paragraph (c) of this Section, be the Indenture Trustee under this Indenture without further act.

ARTICLE IX

SUPPLEMENTS AND AMENDMENTS TO THIS INDENTURE AND OTHER DOCUMENTS

Section 9.01. (a) Supplemental Indentures Without Consent of Holders. The Company and the Indenture Trustee, at any time and from time to time, without notice to or the consent of any holders of any Equipment Notes, may enter into one or more indentures supplemental hereto for any of the following purposes:

(i) to correct or amplify the description of any property at any time subject to the lien of this Indenture or better to assure, convey and confirm unto the Indenture Trustee any property subject or required to be subject to the lien of this Indenture or to subject to the lien of this Indenture any Item of Equipment or Items of Equipment substituted for any Item of Equipment or Items of Equipment in accordance with the provisions of Section 10.12 hereof; provided, however, that Indenture Supplements entered into for the purpose of subjecting to the lien of this Indenture any Item of Equipment or Items of Equipment need only be executed by the Company; or

(ii) to evidence (in accordance with Article VIII) the succession of a new Indenture Trustee hereunder; or

(iii) to add to the covenants of the Company, for the benefit of the holders of the Equipment Notes, or to surrender any right or power herein conferred upon the Company; or

(iv) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising hereunder so long as any such action does not adversely affect the interests of the holders of the Equipment Notes.

(b) Supplemental Indentures With Consent of Majority In Interest. With the written consent of a Majority in Interest, the Company may, and the Indenture Trustee, subject to Section 9.02 hereof, shall, at any time and from time to time, enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights and obligations of holders of the Equipment Notes and of the Lessor under this Indenture; provided, however, without the consent of each holder of an Equipment Note affected thereby, no such Supplemental Indenture shall:

(1) change the final maturity of the principal of any Equipment Note, or change the dates or amounts of payment of any installment of the principal of or premium, if any, or interest on any Equipment Note, or reduce the principal amount thereof or the premium, if any, or interest thereon, or change to a location outside the United States the place of payment where, or the coin or currency in which, any Equipment Note or the premium, if any, or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment of principal or premium, if any, or interest on or after the date such principal or premium, if any, or interest becomes due and payable; or

(2) create any lien with respect to the Indenture Estate ranking prior to, or on a parity with, the security interest created by this Indenture except such as are permitted by this Indenture, or deprive any holder of an Equipment Note of the benefit of the lien on the Indenture Estate created by this Indenture; or

(3) reduce the percentage in principal amount of the Equipment Notes, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any waiver (of compliance with certain provisions of this Indenture, or of certain defaults hereunder and their consequences) provided for in this Indenture; or

(4) modify any provisions of this Section 9.01 (b), except to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the holder of each Equipment Note affected thereby.

Section 9.02. Indenture Trustee Protected. If in the opinion of the Indenture Trustee any document required to be executed pursuant to the terms of Section 9.01 adversely affects any right, duty, immunity or indemnity in favor of the Indenture Trustee under this Indenture or the Note Purchase Agreement, the Indenture Trustee may in its discretion decline to execute such document.

Section 9.03. Request of Substance, Not Form. It shall not be necessary for the consent of the holders of Equipment Notes under Section 9.01(b) to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Section 9.04. Documents Mailed to Holders. Promptly after the execution by the Indenture Trustee of any document entered into pursuant to Section 9.01(b), the Indenture Trustee shall mail, by first-class mail, postage prepaid, a conformed copy thereof to each holder of an Equipment Note at its address last known to the Indenture Trustee, but the failure of the Indenture Trustee to mail such conformed copies shall not impair or affect the validity of such document.

ARTICLE X

COVENANTS OF THE COMPANY

Section 10.01. Payment of Indebtedness. The Company will pay the indebtedness evidenced by the Equipment Notes.

Section 10.02. Maintenance of Corporate Existence. The Company, at its own cost and expense, will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights and franchises; provided, however, that the Company shall not be required to preserve any right or franchise if the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not prejudicial in any material respect to the holders of Equipment Notes.

Section 10.03. Consolidation, Merger or Sale of Assets Permitted. (a) The Company covenants that it will not merge or consolidate with or into any other corporation or sell, convey or otherwise dispose of all or substantially all of its assets to any Person unless (i) either (A) the Company shall be the continuing corporation or (B) the successor corporation (if other than the Company) shall be a corporation organized and existing under the laws of the United States of America or a State thereof or the District of Columbia, and such corporation shall expressly assume the due and punctual performance and observance of all of the covenants and conditions of this Indenture, the Note Purchase Agreement and each other Operative Document to which the Company is a party to be performed by the Company by supplemental agreements given by such successor corporation to the Indenture Trustee; (ii) such successor corporation shall make such filings and recordings as shall be necessary, desirable or otherwise required to evidence such reorganization, consolidation, merger, conveyance or other disposition; (iii) immediately after giving effect to such transaction, no Indenture Event of Default shall have occurred and be continuing; (iv) the Company shall have delivered to the Indenture Trustee an Officer's Certificate and an opinion of counsel to the Company or such successor corporation, as the case may be, each stating that (x) such reorganization, consolidation, merger, conveyance or other disposition and the assumption agreement described in clause (i)(B) above comply with such

clause (and in the case of such certificate, clause (iii) of this Section 10.03(a) also), (y) the agreement entered into to effect such reorganization, consolidation, merger, conveyance or other disposition and the assumption agreement described in clause (i)(B) above, are legal, valid and binding obligations of the Company or such successor corporation, as the case may be, and enforceable in accordance with their terms except as such enforceability may be limited by bankruptcy, reorganization, insolvency, moratorium and other similar laws and equitable principals effecting the enforcement of creditors' rights generally, and (z) all conditions precedent herein provided for relating to such transactions have been complied with; and (v) such reorganization, consolidation, merger, conveyance or other disposition shall not have a material adverse effect on the benefits available to the Indenture Trustee pursuant to 11 U.S.C. § 1168.

(b) In case of any such merger, consolidation, sale, conveyance or other disposition and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for the Company hereunder, with the same effect as if it had been named herein as the party of the first part.

Section 10.04. Annual Statements as to Compliance by the Company. The Company covenants and agrees to deliver to the Indenture Trustee on or before a date not more than 120 days after the end of each fiscal year of the Company ending after the date hereof, an Officer's Certificate stating as to the officer signing such certificate, whether or not to the best of such officer's knowledge the Company has kept, observed, performed and fulfilled each and every such covenant contained in this Indenture and is in compliance with all of the terms, provisions and conditions hereof, and, if the Company shall be in default, specifying all such defaults and the nature hereof, of which such officer may have knowledge.

Section 10.05. Notices of Indenture Event of Default and Event of Loss. Promptly after becoming aware of the existence of the occurrence of an Indenture Event of Default or of an Event of Loss with respect to any Item of Equipment, the Company shall give notice thereof to the Indenture Trustee.

Section 10.06. Liens. The Company shall not, directly or indirectly, create, incur, assume, permit, or suffer to exist any Lien on or with respect to any Item of Equipment, title thereto or any interest therein except (a) the rights of the Indenture Trustee as provided in this Indenture, (b) the rights of others under agreements or arrangements to the extent expressly permitted by the terms of Section 10.07(e), (c) Liens for Taxes either not yet due or being contested in good faith by appropriate proceedings so long as such proceedings do not involve any danger of the sale, forfeiture or loss of such Item of Equipment or interest therein and for the payment of which Taxes adequate reserves have been provided, (d) materialmen's, mechanics', workmen's, repairmen's, employees' or other like Liens arising in the ordinary course of business for amounts of payment of which is either not yet delinquent or is being contested in good faith by appropriate proceedings so long as such proceedings do not involve any danger of the sale, forfeiture or loss of such Item of Equipment or interest therein and for the payment of which Liens adequate reserves have been provided, (e) Liens (other than Liens for Taxes) arising out of judgments or awards against the Company with respect to which at the time an appeal or proceeding for review is being prosecuted in good faith by appropriate proceedings and with respect to which there shall have been secured a stay of execution pending such appeal or proceeding for review, and (f) salvage or similar rights of insurers under insurance policies maintained pursuant to Section 10.09 hereof. The Company will promptly, at its own expense, take such action as may be necessary by bonding or otherwise duly to discharge any such Lien not excepted above if the same shall arise at any time.

Section 10.07. Maintenance; Operation; Records; Compliance with Laws; Possession; Identification Marks.

(a) Maintenance. The Company, at its own expense, shall maintain and service each Item of Equipment in the same manner as employed by the Company for similar items of equipment owned or leased by it.

(b) Operation. The Items of Equipment will be used in the general operation of the Company's freight rail business on Company's railroad system, on railroad lines over which the Company has trackage rights, and on railroad lines of other railroads in the United States and Canada in

the usual interchange of traffic or in through or run-through service.

(c) [Intentionally Omitted]

(d) Compliance with Laws, Etc. The Company agrees to comply with all Applicable Laws to the extent that such Applicable Laws affect the maintenance or use of the Items of Equipment. In the event that any such rule or Applicable Law requires alteration of any Item of Equipment, the Company shall conform thereto or obtain conformance therewith; provided, however, that the Company may in good faith contest the validity or application of any Applicable Law in any reasonable manner which does not and will not materially adversely affect the lien of this Indenture.

(e) Possession. The Company shall not, without the prior written consent of the Indenture Trustee lease or otherwise in any manner deliver, transfer or relinquish possession of any Item of Equipment; provided, that so long as no Event of Default shall have occurred and be continuing, and so long as the action to be taken does not and will not contemplate, permit, require, or result in the transfer of the Company's ownership of or title to any Item of Equipment, or adversely affect the Indenture Trustee's rights under this Indenture or the availability to the Indenture Trustee of benefits under 11 U.S.C. § 1168 or any successor provision with respect to the Items of Equipment, the Company may, without the prior written consent of the Indenture Trustee lease any Item of Equipment to, or permit its use by, any user incorporated in the United States of America (or any state thereof or the District of Columbia), upon lines of a railroad owned or operated by the Company or such user or by a railroad company or companies incorporated in the United States of America (or any state thereof or the District of Columbia), or over which the Company, such user, or such railroad company or companies have trackage rights or rights for operation of their trains, and upon the lines of railroads of connecting and other carriers in the usual interchange of traffic or in through or run-through service, but subject to all the terms and conditions of this Indenture; provided further, that (i) such lease or other agreement related to use shall by its terms prohibit the lessee or user from locating an Item of Equipment outside the area comprised of the United States and Canada and (ii) the rights of any transferee who

receives possession by reason of a lease or use permitted by this Section 10.07(e) shall be subject and subordinate to, and any lease or other agreement related to use permitted by this Section 10.07(e) shall by the terms therein contained be made expressly subject and subordinate to, all the terms of this Indenture. No such lease or other relinquishment of possession of any Item of Equipment shall in any way discharge or diminish any of the Company's obligations to the Indenture Trustee hereunder or under any other Operative Document for which obligations the Company shall be and remain primarily liable as a principal and not as a surety.

(f) Identification Marks. The Company (i) has caused on or prior to the relevant Closing Date (or shall cause as soon thereafter as is practicable) the Items of Equipment to be numbered with the respective identification numbers set forth in the Indenture Supplement describing such Items of Equipment, and (ii) shall keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Item of Equipment, in letters not less than one inch in height, the words "Ownership Subject to Documents Filed with the Interstate Commerce Commission". The Company shall not place any Item of Equipment in operation or exercise any control or dominion over the same until such words shall have been so marked and shall replace promptly any such markings which may be removed, defaced, obliterated or destroyed. The Company shall not change the identification number of any Item of Equipment unless and until (i) a statement of new number or numbers to be substituted therefor shall have been filed with the Indenture Trustee and duly filed, recorded or deposited, as the case may be, by the Company in all public offices where this Indenture shall have been filed, recorded or deposited and (ii) the Company shall have furnished the Indenture Trustee with an opinion of counsel to the effect that such statement has been so filed, recorded or deposited, and that no other filing, recordation, deposit or giving of notice with or to any federal, District of Columbia, state, provincial or local government or agency thereof is necessary to protect the rights of the Indenture Trustee in such Item of Equipment.

Section 10.08. Replacement and Pooling of Parts; Alterations, Modifications and Additions.

(a) Replacement of Parts. The Company, at its own cost and expense, shall replace or cause to be replaced all Parts which may from time to time be incorporated or installed in or attached to any Item of Equipment and which may from time to time become worn out, lost, stolen or destroyed.

Section 10.09. Insurance. The Company will at all times, as part of an insurance program including appropriate risk retention and self-insurance, and at its own expense, cause to be carried and maintained casualty insurance and public liability insurance in respect of the Items of Equipment in such amounts, against such risks and on such terms and conditions as is customarily obtained by the Company in respect of similar equipment owned or leased by it.

Section 10.10. [Intentionally Omitted]

Section 10.11. Preservation of Section 1168 Benefits. The Company shall take no action which would adversely affect the availability to the Indenture Trustee of benefits under 11 U.S.C. § 1168 or any successor provision with respect to the Items of Equipment.

Section 10.12. Replacement of Items of Equipment. Upon the occurrence of an Event of Loss with respect to an Item of Equipment, the Company shall prepay the Equipment Notes, as provided in Section 2.10(b) unless the Company shall, not less than 180 days following the occurrence of such Event of Loss, cause a Replacement Item of Equipment to be subjected to the Lien of this Indenture in lieu of such Item of Equipment. Any Replacement Item of Equipment shall be owned by the Company and be free of all Liens except Liens permitted by Section 10.06 and shall have a value, utility, performance and durability at least equal to, and be in as good operating condition as, the value, utility, performance, durability and operating condition that the Item of Equipment so replaced would have had or have been in had such Item of Equipment been in the condition and repair required by the terms of this Indenture. The Company shall, in connection with such replacement prior to the expiration of such 80 day period:

(A) deliver to the Indenture Trustee, for execution pursuant to Section 5.07 of this Indenture, an Indenture Supplement that has been duly executed by the Company and, upon execution by the Indenture Trustee, respectively, cause such Indenture Supplement to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 and in the office of the Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada;

(B) cause a precautionary financing statement or statements with respect to the Replacement Item of Equipment to be filed in such place or places as are necessary in order to evidence and perfect the interests of the Indenture Trustee therein;

(C) furnish the Indenture Trustee with evidence of compliance with the insurance provisions of Section 10.09 with respect to the Replacement Item of Equipment substantially similar to that originally furnished to the Indenture Trustee at the time of Closing for such Item of Equipment;

(D) furnish the Indenture Trustee with a certificate signed by a duly authorized financial officer or executive of the Company certifying that, upon consummation of such replacement, no Indenture Default or Indenture Event of Default will exist hereunder;

(E) furnish the Indenture Trustee with a certificate of the chief mechanical officer of the Company certifying that the Replacement Item of Equipment has a value, utility, performance and durability at least equal to, and is in as good operating condition as, the value, utility, performance, durability and operating condition that the Item of Equipment so replaced would have had or have been in had such Item of Equipment been in the condition and repair required by the terms of this Indenture immediately prior to the occurrence of such Event of Loss;

(F) cause to be delivered to the Indenture Trustee an opinion of counsel, reasonably satisfactory in form and substance to the Indenture Trustee, as to due filing of the Indenture Supplement; and

(G) take such other actions and furnish such other certificates and documents as the Indenture Trustee may reasonably require in order to assure that the Replacement Item of Equipment is duly and properly subjected to the Lien of this Indenture, to the same extent as the Item of Equipment replaced thereby.

Section 10.13. Financial Information. The Company shall, within 30 days after filing with the United States Securities and Exchange Commission, deliver to the Pass Through Trustee a copy of each quarterly report on Form 10-Q relating to each fiscal quarter during the term commencing with the first quarter of 1993 and a copy of its annual report on Form 10-K relating to each fiscal year during which Equipment Notes issued in accordance with the terms of this Indenture are outstanding, commencing with the Company's fiscal year ended December 31, 1992.

ARTICLE XI AND XII

INTENTIONALLY LEFT BLANK

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Release of Property. With respect to each Item of Equipment, this Indenture and the trusts created hereby shall terminate and this Indenture shall be of no further force or effect upon the earliest to occur of (i) payment in full to the Indenture Trustee of the amounts required to be paid pursuant to Section 2.10(b) in respect of such Item of Equipment, and (ii) the payment in full of the principal amount of and interest and premium (if any) on all Equipment Notes outstanding hereunder and all other sums payable to the Indenture Trustee and the holders of the Equipment Notes hereunder and under such Equipment Notes and under the Note Purchase Agreement, and, in any such event, the Indenture Trustee shall, upon the written request of the Company, execute and deliver to, and at the expense of, the Person submitting such request, an appropriate instrument (in due form for recording) furnished by such Person to the Indenture Trustee, releasing

such Item of Equipment from the Lien of this Indenture. Upon the partial prepayment of the Equipment Notes under Section 2.10(b) hereof as the result of an Event of Loss with respect to any Item of Equipment or upon the substitution to the Lien of this Indenture of a Replacement Item of Equipment as a result of an Event of Loss or otherwise, the Indenture Trustee shall, upon the written request of the Company, execute and deliver to, and at the expense of, the Person submitting such request, an appropriate instrument (in due form for recording) furnished by such Person to the Indenture Trustee, releasing the Item of Equipment with respect to which such prepayment or substitution occurred from the Lien of this Indenture.

Section 13.02. No Legal Title to Indenture Estate in Holders. No holder of an Equipment Note shall have legal title to any part of the Indenture Estate. No transfer, by operation of law or otherwise, of any Equipment Note or other right, title and interest of any holder of an Equipment Note in and to the Indenture Estate or hereunder shall operate to terminate this Indenture or the trusts hereunder or entitle any successor or transferee of such holder to an accounting or to the transfer to it of legal title to any part of the Indenture Estate.

Section 13.03. Sale of Items of Equipment by Indenture Trustee Is Binding. Any sale or other conveyance of any Items of Equipment by the Indenture Trustee made pursuant to the terms of this Indenture shall bind the holders of the Equipment Notes and the Company and shall be effective to transfer or convey all right, title and interest of the Indenture Trustee, the Company and such holders of the Equipment Notes in and to the Equipment. No purchaser or other grantee shall be required to inquire as to the authorization, necessity, expediency or regularity of such sale or conveyance or as to the application of any sale or other proceeds with respect thereto by the Indenture Trustee.

Section 13.04. Remedies Cumulative. Each and every right, power and remedy herein specifically given to the Indenture Trustee or otherwise in this Indenture shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from

time to time and as often and in such order as may be deemed expedient by the Indenture Trustee, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the time or thereafter any other right, power or remedy. No delay or omission by the Indenture Trustee in the exercise of any right, remedy or power or in the pursuance of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Company or to be an acquiescence therein.

Section 13.05. Discontinuance of Proceedings.

In case the Indenture Trustee shall have proceeded to enforce any right, power or remedy under this Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Indenture Trustee, then and in every such case the Company and, the Indenture Trustee shall be restored to their former positions and rights hereunder with respect to the Indenture Estate, and all rights, remedies and powers of the Indenture Trustee shall continue as if no such proceedings had been undertaken (but otherwise without prejudice).

Section 13.06. Indenture and Equipment Notes for Benefit of the Company, Indenture Trustee and Holders Only.

Nothing in this Indenture, whether express or implied, shall be construed to give to any Person other than the Company, the Indenture Trustee and the holders of the Equipment Notes any legal or equitable right, remedy or claim under or in respect of this Indenture or any Equipment Note.

Section 13.07. Notices, Notice by Indenture Trustee of Non-Payment. Unless otherwise expressly specified or permitted by the terms hereof, all notices required or permitted under the terms and provisions hereof shall be in writing, and shall become effective when deposited in the United States mail, with proper postage for first class registered or certified mail prepaid, when delivered personally, or, if promptly confirmed by mail as provided above, when dispatched by telegram, telex or other written telecommunication addressed (i) if to the Indenture Trustee, at its office at 555 South Flower Street, Suite 2700, Los Angeles, California 90071-2429, Attention: Sandee Parks, Telecopy/Telefax: (213) 488-4029, (ii) if to any holder of Equipment Notes, at such address set forth in the

register maintained pursuant to Section 2.07 hereof, or at such address as such holder of Equipment Notes shall have furnished by notice to the Lessor and the Indenture Trustee, (iii) if to the Company, at 2001 Market Street, P.O. Box 41425, Philadelphia, Pennsylvania 19101-1425, Attention: Director-Financing, Telex 627-63476, Telecopy/Telefax: (215) 209-5346, and (iv) if to any of the foregoing Persons, at such other address as such Person shall from time to time designate by written notice to the other parties hereto in accordance with this Section 13.07.

Notwithstanding the foregoing provisions, for purposes of Sections 4.01, 4.02, 5.01 and 5.02, written notice shall be deemed given when it is in fact received (by mail or otherwise) by any addressee at the respective addresses specified above.

Notwithstanding any other provision hereof, if any payment of principal of, premium, if any, and interest on the Equipment Notes is not received by the Indenture Trustee when due, the Indenture Trustee shall on the next succeeding Business Day use its reasonable best efforts to give immediate written notice by telex or its equivalent or by telephone (confirmed in writing) to each holder of an Equipment Note and the Company, which shall be effective when given.

Section 13.08. Severability. Any provision of this Indenture which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or enforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. In the event of any inconsistency or conflict between any provision of this Indenture and any provision of the Pass Through Trust Agreement, such provision in this Indenture shall govern and control.

Section 13.09. Separate Counterparts. This Indenture may be executed in any number of counterparts (and each of the parties hereto shall not be required to execute the same counterpart). Each counterpart of this Indenture including a signature page executed by each of the parties hereto shall be an original counterpart of this Indenture, but all of such counterparts together shall constitute one instrument.

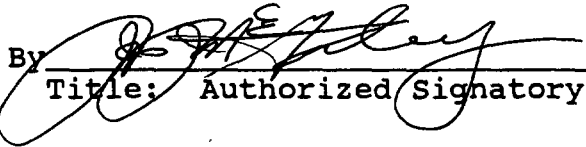
Section 13.10. Successors and Assigns. All covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the Company and its successors and permitted assigns, and the Indenture Trustee and its successors and permitted assigns, and each holder of any Equipment Note, all as herein provided. Any request, notice, direction, consent, waiver or other instrument or action by any holder of an Equipment Note shall bind the successors and assigns of such holder.

Section 13.11. Headings. The headings Of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

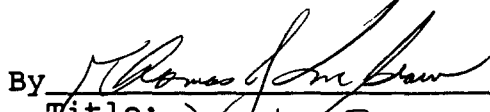
Section 13.12. Governing Law. THIS INDENTURE SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS; PROVIDED, HOWEVER, THAT THE PARTIES HERETO SHALL BE ENTITLED TO ALL RIGHTS CONFERRED BY ANY APPLICABLE FEDERAL STATUTE, RULE OR REGULATION.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed by their respective officers or attorneys-in-fact, as the case may be, thereunto duly authorized, as of the day and year first above written.

U.S. TRUST COMPANY OF CALIFORNIA,
N.A., as Indenture Trustee

By 
Title: Authorized Signatory

CONSOLIDATED RAIL CORPORATION

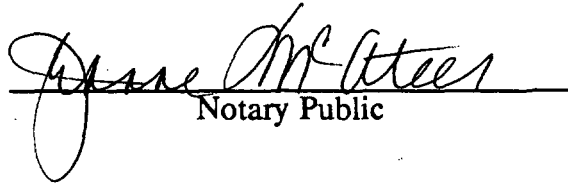
By 
Title: Director, Financing

STATE OF PENNSYLVANIA :
SS
COUNTY OF PHILADELPHIA:

On this, the 25 day of February, 1993, before me, a notary public, personally appeared Thomas J. McGraw, to me personally known, who being by me duly sworn, says that he is the Director-Financing of Consolidated Rail Corporation, that said instrument was executed on February 25, 1993 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sworn to before me this
25 day of February, 1993

(NOTARIAL SEAL)


Notary Public

My Commission Expires:

Notarial Seal
Jeanne McAteer, Notary Public
Philadelphia, Philadelphia County
My Commission Expires June 10, 1996
Member, Pennsylvania Association of Notaries


STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

)
) ss:
)

On this 25 day of February, 1993 before me personally appeared, James J. McGinley to me personally known, who being by me duly sworn, says that he is the Authorized Signatory of U.S. Trust Company of California, N.A., that said instrument was signed on February 25, 1993 on behalf of said national association by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said national association.

Sworn to before me this
25 day of February, 1993

(NOTORIAL SEAL)


Notary Public

My Commission Expires:

Notarial Seal
Jeanne McAteer, Notary Public
Philadelphia, Philadelphia County
My Commission Expires June 10, 1996
Member, Pennsylvania Association of Notaries

EXHIBIT A
to
Trust Indenture
and Security Agreement
(Conrail 1993-1)

FORM OF TRUST INDENTURE SUPPLEMENT
(CONRAIL 1993-1) NO. _____

This INDENTURE SUPPLEMENT (CONRAIL 1993-1) No. _____, dated _____ (this "Indenture Supplement"), by and among CONSOLIDATED RAIL CORPORATION, a Pennsylvania corporation (the "Company"), and U.S. TRUST COMPANY OF CALIFORNIA, N.A., a national banking association, as Indenture Trustee (the "Indenture Trustee");

W I T N E S S E T H :

WHEREAS, the Trust Indenture and Security Agreement (Conrail 1993-1), dated as of February 26, 1993 (the "Indenture"), by and among the Company and the Indenture Trustee, provides for the execution and delivery of Indenture Supplements thereto substantially in the form hereof which shall particularly describe the Items of Equipment, and shall specifically mortgage the Items of Equipment to the Indenture Trustee; and

WHEREAS, the Indenture relates to the Items of Equipment described on Schedule 1 attached hereto and made a part hereof, and a counterpart of the Indenture is attached to and made a part of this Indenture Supplement;

NOW, THEREFORE, in order to secure the prompt payment of the principal of, and premium, if any, and interest on all of the Equipment Notes from time to time outstanding under the Indenture and the performance and observance by the Company of all the agreements, covenants and provisions in the Indenture and in the Equipment Notes for the benefit of the holders of the Equipment Notes, subject to the terms and conditions of the Indenture, and in consideration of the premises and of the covenants contained in the Indenture and of the acceptance of the Equipment Notes by the holders thereof, and of the sum of \$1.00 paid to the Company by the Indenture Trustee at or before the delivery hereof, the receipt whereof is hereby acknowl-

edged, the Company, in accordance with the Granting Clause of the Indenture, has sold, assigned, transferred, pledged and confirmed, and does hereby sell, assign, transfer, pledge and confirm, the property comprising the Items of Equipment described in Schedule 1 attached hereto and made a part hereof to the Indenture Trustee, its successors and assigns, in the trust created by the Indenture for the benefit of the holders from time to time of the Equipment Notes.

To have and to hold all and singular the afore-said property unto the Indenture Trustee, its successors and assigns, in trust for the benefit and security of the holders from time to time of the Equipment Notes and for the uses and purposes and subject to the terms and provisions set forth in the Indenture.

This Indenture Supplement shall be construed as supplemental to the Indenture and shall form a part thereof, and the Indenture is hereby incorporated by reference herein and each is hereby ratified, approved and confirmed.

This Indenture Supplement is being delivered in the State of New York.

This Indenture Supplement may be executed by the Company and the Indenture Trustee in separate counterparts, each of which when so executed and delivered is an original, but all such counterparts shall together constitute but one and the same Supplement.

AND FURTHER, the Company hereby acknowledges that the Items of Equipment referred to in Schedule 1 attached hereto and made a part hereof have been delivered to the Company and are included in the property of the Company, subject to the pledge or mortgage thereof under the Indenture.

IN WITNESS WHEREOF, the Company has caused this Indenture Supplement to be duly executed by one of its duly authorized officers, as of the day and year first above written.

CONSOLIDATED RAIL CORPORATION

By _____
Title:

Acknowledged:

U.S. TRUST COMPANY OF
CALIFORNIA, N.A., as
Indenture Trustee

By _____
Title: Authorized Signatory

SCHEDULE 1 to
EXHIBIT A
to
Trust Indenture
and Security Agreement
(Conrail 1993-1)

ITEMS OF EQUIPMENT

Three General Electric Dash 8-40CW Diesel Electric Locomotives bearing the Company's road numbers _____ through _____ inclusive and fifteen General Motors Corporation (Electro-Motive Division) Model SD60M Diesel Electric Locomotives bearing the Company's road numbers _____ through _____ inclusive.

The Equipment Cost for each Item of Equipment of General Electric Dash 8-40CW Diesel Electric Locomotives is \$ _____ and the Equipment Cost for each Item of Equipment of General Motors Corporation (Electro-Motive Division) Model SD60M Diesel Electric Locomotives is \$ _____. The aggregate Equipment Cost for all the Items of Equipment is \$ _____..

Owned Equipment

Annex A
Trust Indenture and
Security Agreement
(Conrail 1993-A1)

**AMORTIZATION SCHEDULE
5.71% SERIES A1 EQUIPMENT NOTE**

Payment Date	Percentage of Remaining Principal Balance Payable
30-Jun-93	0.00000000%
31-Dec-93	5.92345142%
30-Jun-94	6.29641660%
31-Dec-94	6.71950461%
30-Jun-95	7.20354730%
31-Dec-95	7.76273994%
30-Jun-96	8.41605652%
31-Dec-96	9.18944545%
30-Jun-97	10.11935836%
31-Dec-97	11.25866280%
30-Jun-98	12.68705561%
31-Dec-98	14.53055523%
30-Jun-99	17.00087707%
31-Dec-99	20.48320086%
30-Jun-2000	25.75958928%
31-Dec-2000	34.69753067%
30-Jun-2001	53.13356604%
31-Dec-2001	100.00000000%

Owned Equipment

Annex A
Trust Indenture and
Security Agreement
(Conrail 1993-A2)

**AMORTIZATION SCHEDULE
6.86% SERIES A2 EQUIPMENT NOTE**

Payment Date	Percentage of Remaining Principal Balance Payable
30-Jun-93	0.00000000%
31-Dec-93	0.00000000%
30-Jun-94	0.00000000%
31-Dec-94	0.00000000%
30-Jun-95	0.00000000%
31-Dec-95	0.00000000%
30-Jun-96	0.00000000%
31-Dec-96	0.00000000%
30-Jun-97	0.00000000%
31-Dec-97	0.00000000%
30-Jun-98	0.00000000%
31-Dec-98	0.00000000%
30-Jun-99	0.00000000%
31-Dec-99	0.00000000%
30-Jun-2000	0.00000000%
31-Dec-2000	0.00000000%
30-Jun-2001	0.00000000%
31-Dec-2001	0.29561104%
30-Jun-2002	2.51365976%
31-Dec-2002	2.57847381%
30-Jun-2003	3.06462173%
31-Dec-2003	3.16151005%
30-Jun-2004	3.26472465%
31-Dec-2004	3.98852532%
30-Jun-2005	4.15421733%
31-Dec-2005	4.33427243%
30-Jun-2006	5.57617579%
31-Dec-2006	5.90547548%
26-Feb-2007	0.00000000%
30-Jun-2007	6.27610960%
31-Dec-2007	100.00000000%

APPENDIX A

(CONRAIL 1993-1)

The definitions stated herein apply equally to both the singular and plural forms of the terms defined.

Defined Terms

"Affiliate" of any specified Person shall mean any other Person which directly or indirectly controls, or is controlled by, or is under a common control with, such Person. For the purpose of this definition, the term "control" when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

"Agreement", "this Agreement", "hereof", "hereby", or any other like term means, unless the context requires otherwise, the agreement in which such term is used, including all annexes, exhibits, schedules, and supplements thereto, as such agreement may be amended, modified or supplemented from time to time.

"Applicable Laws" shall mean all rules, regulations and orders issued by the ICC, the Department of Transportation and any other government or instrumentality, subdivision or agency thereof having jurisdiction and relating to the registration, operation, maintenance and service of the Items of Equipment.

"Average Life Date" shall mean, with respect to the prepayment of an Equipment Note, the date which follows the prepayment date by a period equal to the Remaining Weighted Average Life of such Equipment Note.

"Bankruptcy Code" shall mean the United States Bankruptcy Reform Act of 1978, as amended from time to time, 11 U.S.C. § 101 et seq.

"Bill of Sale" shall mean a full warranty bill of sale executed by the Manufacturer in favor of the Company for the Items of Equipment.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which commercial banking institutions are authorized or required by law, regulation or executive order to be closed in New York, New York, Philadelphia, Pennsylvania or a city in which the Pass Through Trustee or any Indenture Trustee maintains its Corporate Trust Office.

"Certificates" shall mean each of those Pass Through Trust Certificates, Series 1993-A1 and Series 1993-A2 executed and authenticated by the Pass Through Trustee, pursuant to the terms of the related Pass Through Trust Agreement on the original issuance thereof and any replacement Certificates thereto.

"Certificateholder or Holder" shall mean a Person defined as such in the Pass Through Trust Agreement.

"Closing" shall mean the consummation of the transactions specified in Section 2(b) of the Note Purchase Agreement.

"Closing Date" shall mean any Business Day occurring prior to May 30, 1993 specified as a Closing Date by notice given pursuant to Section 2(a) of the Note Purchase Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as in effect on the date hereof or as amended from time to time.

"Company" shall mean Consolidated Rail Corporation, a Pennsylvania corporation, and its successors and permitted assigns.

"Corporate Trust Office" shall mean, with respect to the Pass Through Trustee and any Indenture Trustee, the office of such trustee in the city at which at any particular time its corporate trust business shall be principally administered.

"Dollar" or "\$" shall mean the lawful currency of the United States of America.

"Equipment Cost" shall mean, for any Item of Equipment, the gross amount payable by the Company to the Manufacturer thereof pursuant to the Purchase Agreement therefor, including all applicable sales taxes, and delivery charges as invoiced by such Manufacturer to the Company and certified by the Company to the Pass Through Trustee, as purchaser of the Equipment Notes related to such Item of Equipment pursuant to the Note Purchase Agreement.

"Equipment Notes" shall mean, collectively, the Series 1A Equipment Notes and the Series 1B Equipment Notes.

"ERISA" shall mean the Employment Retirement Income Security Act of 1974, as amended from time to time, or any successor law.

"Event of Loss" with respect to any property means any of the following events with respect to such property: (i) loss of the use of such property due to (x) theft or disappearance, or any other reason not covered elsewhere in this definition, for a period in excess of six months, (y) destruction, or (z) in the opinion of the Company, damage beyond repair or rendition of such property permanently unfit for normal use for any reason whatsoever; (ii) any damage to such property which results in an insurance settlement with respect to such property on the basis of a total loss; (iii) the condemnation or requisition of title to such property by the Government or any other governmental authority; (iv) as a result of any rule, regulation, order or other action by the ICC, the Department of Transportation or other governmental body of the United States of America or Canada having jurisdiction, the use of such property in the normal course of rail transportation shall have been prohibited for a period of six consecutive months, unless the Company, prior to the expiration of such six-month period, shall have undertaken and shall be diligently carrying forward all steps which in its judgment are necessary or desirable to permit the normal use of such property by the Company or, in any event, if such use shall have been prohibited for a period of 12

"Payment Date" shall mean each June 30 and December 31 of each year to and including December 31, 2007, provided that if any such date shall not be a Business Day, then "Payment Date" shall mean the next succeeding Business Day.

"Permitted Liens" shall mean any Lien of the type described in clauses (a) through (f) of Section 10.06 of the Indenture.

"Person" shall mean any individual, partnership, corporation, joint venture, trust, association, joint stock company, trust, unincorporated organization, or a government or any agency, instrumentality or political subdivision thereof.

"Purchase Agreement" shall mean each of the Purchase Agreements between each Manufacturer and the Company, dated January 4, 1993 in the case of General Electric Company and November 12, 1992 in the case of General Motors Corporation (Electro-Motive Division), providing, among other things, for the manufacture and sale by the Manufacturer to the Company of certain General Electric Dash 8-40CW and certain General Motors Corporation (Electro-Motive Division) SD60M diesel electric locomotives, as each such Purchase Agreement has been or may hereafter be amended, modified or supplemented.

"Purchase Amount" shall have the meaning set forth in Section 1 of the Note Purchase Agreement.

"Purchase Price" shall mean an amount equal to the aggregate principal amount of the Equipment Notes to be purchased by the Pass Through Trustee for a Pass Through Trust on a Closing Date.

"Remaining Weighted Average Life" shall mean, with respect to prepayment of an Equipment Note, the number of days equal to the quotient obtained by dividing (a) the sum of the products obtained by multiplying (i) the amount of each remaining principal payment on such Equipment Note by (ii) the number of days from and including the prepayment date to but excluding the scheduled payment date of such principal payment by (b) the unpaid principal amount of such Equipment Note.

"Replacement Item of Equipment" shall mean a General Electric Dash 8-40CW or a General Motors Corporation (Electro-Motive Division) SD60M diesel electric locomotive (or an improved model of the same Manufacturer), which shall have been subjected to the Lien of the Indenture pursuant to clause (i) of Section 10.12(a) of the Indenture, together with all Parts relating thereto.

"Secured Obligations" shall mean collectively, the obligations from time to time of the Company under and in respect of the principal of and interest on the Equipment Notes heretofore or hereafter issued under the Indenture and all other amounts from time to time due and payable by the Company under the Indenture or by the Company under the Note Purchase Agreement.

"Series 1A Equipment Notes" shall mean each of those certain notes substantially in the form set forth in Section 2.01(b) of the Indenture, issued by the Company on any Closing Date and any other such note thereafter issued in exchange therefor or replacement thereof pursuant to Section 2.07 or 2.08 of the Indenture.

"Series 1B Equipment Notes" shall mean each of those certain notes substantially in the form set forth in Section 2.01(c) of the Indenture, issued by the Company on any Closing Date and any other such note thereafter issued in exchange therefor or replacement thereof pursuant to Section 2.07 or 2.08 of the Indenture.

"Special Distribution Date" shall have the meaning ascribed to such term in the Pass Through Trust Agreements.

"Specified Investments" shall mean (a) direct obligations of the United States of America and agencies thereof for which the full faith and credit of the United States is pledged, (b) obligations fully guaranteed by the United States of America, (c) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States of America or one of the States thereof having combined capital and surplus and retained earnings of at least five hundred million dollars (\$500,000,000)

(including any Indenture Trustee or the Pass Through Trustee if such conditions are met), (d) commercial paper of companies (which may include the Company), banks, trust companies or national banking associations incorporated or doing business under the laws of the United States of America or one of the States thereof and in each case having a rating assigned to such commercial paper by Standard & Poor's Corporation or Moody's Investors Service, Inc. or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) equal to the highest rating assigned by such organization, and (e) purchase agreements with any financial institution having a combined capital and surplus of at least seven hundred and fifty million dollars (\$750,000,000) fully collateralized by obligations of the type described in clauses (a) through (d) above provided that if all of the above investments are unavailable, the entire amount to be invested may be used to purchase Federal Funds from an entity described in (c) above; and provided further that no investment shall be eligible as a "Specified Investment" unless the final maturity or date of return of such investment is 91 days or less from the date of purchase thereof.

"Taxes" shall mean any license, registration and filing fees and all taxes, withholdings, assessments, levies, imposts, duties or charges of any nature whatsoever, together with any penalties, fines or interest thereon or other additions thereto imposed, withheld, levied or assessed by any country or any taxing authority or governmental subdivision thereof or therein or by any international authority.

"Treasury Rate" shall mean with respect to prepayment of each Equipment Note, a per annum rate (expressed as a semiannual equivalent and as a decimal and, in the case of United States Treasury bills, converted to a bond equivalent yield), determined to be the per annum rate equal to the semiannual yield to maturity for United States Treasury securities maturing on the Average Life Date of such Equipment Note, as determined by interpolation between the most recent weekly average yields to maturity for two series of United States Treasury securities, (a) one maturing as close as possible to, but earlier than, the Average Life Date of such Equipment Note and (b) the other maturing

as close as possible to, but later than, the Average Life Date of such Equipment Note, in each case as published in the most recent H.15(519) (or, if a weekly average yield to maturity for United States Treasury securities maturing on the Average Life Date of such Equipment Note is reported in the most recent H.15(519), as published in H.15(519)).

H.15(519) means "Statistical Release H.15(519), Selected Interest Rates", or any successor publication, published by the Board of Governors of the Federal Reserve System. The most recent H.15(519) means the latest H.15(519) which is published prior to the close of business on the third Business Day preceding the scheduled prepayment date.

"Underwriters" shall mean Morgan Stanley & Co. Incorporated and Merrill Lynch, Pierce, Fenner & Smith Incorporated.

"Underwriting Agreement" shall mean that certain Underwriting Agreement dated February 19, 1993 between the Company and the Underwriters, pertaining to the sale of the Certificates, as the same may be amended, modified or supplemented from time to time.

"U.S. Dollars" or "U.S.\$" shall mean lawful money of the United States of America.

"Yen" (¥) shall mean lawful money of Japan.